



(Please scan this QR Code to view the RHP)

**RED HERRING PROSPECTUS**  
Dated: November 21, 2023  
Please read Section 26 and 32 of the Companies Act, 2013  
(This Red Herring Prospectus will be updated upon filing with the RoC)  
100% Book Built Issue



Registered Office	Contact Person	Email and Telephone	Website
Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri, Ratnagiri, Maharashtra, India, 415722.	Sonam Sharma Company Secretary & Compliance Officer	<b>E-mail:</b> info@deepakchemtex.in <b>Tel No:</b> +91 88706 82632	<b>Website:</b> www.deepakchemtex.in

<b>Promoters of the Company</b>	<b>Saurabh Deepak Arora and Trishla Baid</b>
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DETAILS OF THE ISSUE				
Type	Fresh Issue Size (in ₹ lakhs)	OFS Size (by no. of Shares or by amount in ₹)	Total Issue Size (in ₹ lakhs)	Eligibility
Fresh Issue	28,80,000 Equity Shares aggregating to ₹ [●]Lakhs	Nil	₹ [●]Lakhs	This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under “*Basis for Issue Price*” on page 78 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 25 of this Red Herring Prospectus.


**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.


**LISTING**

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of BSE (“BSE SME”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>HEM SECURITIES LIMITED</b>	Roshni Lahoti	<b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Tel. No.:</b> +91- 022- 49060000

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>Bigshare Services Pvt. Ltd.</b> <b>BIGSHARE SERVICES PRIVATE LIMITED</b>	Babu Rapheal C	<b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Tel No.:</b> +91-022-62638200

**BID/ISSUE PERIOD**

ANCHOR PORTION ISSUE OPENS/CLOSES ON:	BID/ISSUE OPENS ON:	BID/ISSUE CLOSES ON:
<b>TUESDAY, NOVEMBER 28, 2023*</b>	<b>WEDNESDAY, NOVEMBER 29, 2023</b>	<b>FRIDAY, DECEMBER 01, 2023**</b>

\*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.



**DEEPAK CHEMTEX LTD**  
**DEEPAK CHEMTEX LIMITED**  
**CIN: U24110PN1997PLC211935**

Our Company was originally incorporated as a private limited Company under the name of “Deepak Chemtex Private Limited” on June 10, 1997 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra, bearing registration number as 11-108648. Thereafter, Our Company has shifted its registered office from Mumbai to Pune effective from May 01, 2022. Our Company was converted from private limited to public limited and the name of our Company was changed from “Deepak Chemtex Private Limited” to “Deepak Chemtex Limited” vide fresh certificate of incorporation dated September 04, 2023, issued by the Registrar of Companies, Pune, Maharashtra. The Corporate identification number of our Company is U24110PN1997PLC211935.

**Registered Office:** Aawashi, 28/1A, A/P Aagul Aawashi, Lote, Ratnagiri, Ratnagiri, Maharashtra, India, 415722

**Contact Person:** Sonam Sharma, Company Secretary & Compliance Officer

**Tel No:** +91 88706 82632; **E-mail:** info@deepakchemtex.in; **Website:** www.deepakchemtex.in;

**Promoters of our Company:** Saurabh Deepak Arora and Trishla Baid

#### DETAILS OF THE ISSUE

**INITIAL PUBLIC OFFER OF UPTO 28,80,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF DEEPAK CHEMTEX LIMITED ("OUR COMPANY" OR "DCL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,47,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 27,32,800 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.51 % AND 25.15 % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND RATNAGIRI TIMES, A REGIONAL NEWSPAPER (REGIONAL LANGUAGE OF THE PLACE WHERE THE REGISTERED OFFICE OF THE COMPANY IS SITUATED) WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE ("BSE SME") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE**

In case of any revision in the Price Band, the Bid/Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 224 of this Red Herring Prospectus.

#### RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" on page 78 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 25 of this Red Herring Prospectus.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

#### LISTING

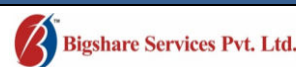
The Equity Shares Issued through this Red Herring Prospectus are proposed to be listed on the SME Platform of BSE (BSE SME) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE")

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE



**HEM SECURITIES LIMITED**  
904, A Wing, Naman Midtown, Senapati Bapat Marg,  
Elphinstone Road, Lower Parel, Mumbai-400013, India  
**Tel. No.:** +91- 022- 49060000; **Fax No.:** +91- 022- 22625991  
**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)  
**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)  
**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)  
**Contact Person:** Roshni Lahoti  
**SEBI Registration Number:** INM000010981

#### REGISTRAR TO THE ISSUE



**BIGSHARE SERVICES PRIVATE LIMITED**  
**Address:** S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali  
Caves Road, Andheri (East), Mumbai- 400093, India.  
**Tel No.:** +91 022 6263 8200  
**Fax:** +91 022 6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Contact Person:** Babu Rapheal C  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration Number:** INR000001385

#### ISSUE PROGRAMME

**ANCHOR PORTION ISSUE OPENS/CLOSES ON:**  
**TUESDAY, NOVEMBER 28, 2023\***

**BID/ISSUE OPENS ON:**  
**WEDNESDAY, NOVEMBER 29, 2023**

**BID/ISSUE CLOSES ON:**  
**FRIDAY, DECEMBER 01, 2023\*\***

\*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 I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1956 (“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 86, 147 and 255 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

<b>Terms</b>	<b>Description</b>
“DCL”, “the Company”, “our Company”, “Issuer” and “Deepak Chemtex Limited”	Deepak Chemtex Limited, a Company incorporated in India under the Companies Act, 1956, having its Registered office at Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri, Maharashtra-415722, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

#### Company related and Conventional terms

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board constituted in accordance with Section 177 of the Companies Act and as described in the chapter titled “ <b>Our Management</b> ” beginning on page 128 of this Red Herring Prospectus
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s A D V & Associates, Chartered Accountants (FRN: 128045W)
Bankers to our Company	Punjab National Bank
Board of Directors/ the Board/ our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 128 of this Red Herring Prospectus
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Trishla Baid.
CIN	Corporate Identification Number being U24110PN1997PLC211935
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Sonam Sharma (M.No. 52445)
Depository/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s)/ our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ <b>Our Management</b> ” on page 128 of this Red Herring Prospectus.
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.

<b>Term</b>	<b>Description</b>
Equity Shares	Equity Shares of the Company of face value of ₹ 10/- each unless otherwise specified in the context thereof.
Factory	The Factory of Our Company situated at Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri, Maharashtra – 415 722, India.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
GIR Number	General Index Registry Number.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details, see section titled <b>“Our Management”</b> on page 128 of this Red Herring Prospectus.
Ind AS or Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
ISIN	International Securities Identification Number. In this case being INE0RDM01013.
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 128 of this Red Herring Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Deepak Chemtex Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company is Saurabh Deepak Arora.
Materiality Policy	The policy adopted by our Board on September 20, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 128 of this Red Herring Prospectus.
Non-Executive Director	The non-executive directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules thereunder. For details, see section titled <b>“Our Management”</b> on page 128 of this Red Herring Prospectus.
NRIs/ Non-Resident Indians	Person of Indian origin as defined under Consolidated Foreign Direct Investment Policy, 2020
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership, Limited Liability Company, Joint Venture, or Trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Peer Review Auditor	The Independent Peer Reviewed Auditor of our Company M/s A D V & Associates Chartered Accountants (FRN: 128045W)
Promoter(s)	Shall mean promoters of our Company i.e. Saurabh Deepak Arora and Trishla Baid. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 142 of this Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoters and Promoter Group”</b> beginning on page 142 of this Red Herring Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri, Maharashtra - 415722, India.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act, 1934.
Restated Financial Information	The Restated Financial statements of our Company comprising of the Restated Consolidated Statement of Assets and Liabilities for the stub period ended on

<b>Term</b>	<b>Description</b>
	September 30, 2023 and financial year ended on March 31, 2023 and March 31, 2022 and Restated Standalone Statement of Assets and Liabilities as at March 31, 2021, the Restated Consolidated Statement of Profit & Loss for the stub period ended on September 30, 2023 and financial year ended on on March 31, 2023 and March 31, 2022 and Restated Standalone Statement of Profit & Loss for the year ended on March 31, 2021 and the Restated Consolidated Cash Flows Statements for the stub period ended on September 30, 2023 and financial year ended on March 31, 2023 and March 31, 2022 and the Restated Standalone Cash Flows Statements for the year ended March 31, 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Pune, PCNTDA Green Building, BLOCK A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune-411044, Maharashtra.
Subsidiaries	The Subsidiaries of our Company, as disclosed in <b><i>“History and Certain Corporate Matters – Our Subsidiaries”</i></b> on page 123
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled <b><i>“Our Management”</i></b> beginning on page 128 of this Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited.
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Neelima Deepak Arora, Renu Ajay Narula, Anandkumar Chaubey and Saloni Vijay Narula.

### **Issue Related Terms**

<b>Terms</b>	<b>Description</b>
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful bidder to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.

	The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor
ASBA Form/ Bid cum Application	An application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Banker to the Issue Agreement	Agreement dated November 15, 2023 entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 224 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi Edition of Regional newspaper Ratnagiri Times where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national



	newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi Edition of Regional newspaper Ratnagiri Times where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidder/ Applicant	Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding	The process of making a Bid.
Bidding/ Collection Centres	Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centres for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book Building Process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Hem Securities Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicant's father/husband, investor status, Occupation and Bank Account details.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. www.bseindia.com
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red



	Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	Member Brokers of BSE who are specifically registered as Market Makers with the BSE SME Platform. In our case, Hem Finlease Private Limited is the sole Market Marker.
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE ("SME Exchange") ("BSE SME")
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated September 30, 2023 filed with BSE SME.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
First Bidder/ Applicant/ Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the provision of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 2019, as amended
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running

	Lead Managers.
Issue Agreement	The Issue Agreement dated September 28, 2023 between our Company and Book Running Lead Manager, Hem Securities Limited.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Red Herring Prospectus being ₹ [●] per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 70 of this Red Herring Prospectus
Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO	The Initial Public Issue of upto 28,80,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of 1,47,200 Equity Shares of ₹10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
Market Making Agreement	The Market Making Agreement dated October 23, 2023 and addendum thereon dated November 20, 2023 between our Company, Book Running Lead Manager and Market Maker Hem Finlease Private limited.
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 27,32,800 equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the “Issue Price”), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <i>Objects of the Issue</i> ” beginning on page 70 of this Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of 4,11,200 Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.

Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 13,64,800 Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Axis Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	The agreement dated September 30, 2023 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of 9,56,800 Equity Shares, available for allocation to Retail Individual Bidders.

Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital Fund) Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
SME Exchange	SME Platform of the BSE i.e. “BSE SME”
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	The agreement dated November 08, 2023 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Hem Finlease Private Limited.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India

	(Underwriters) Regulations, (Repeal) 2021, as amended from time to time.
Underwriting Agreement	The Agreement dated October 23, 2023 entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NPCI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/ VCF	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### **Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
BOD	Biochemical oxygen demand
B2B	Business-to-Business
COD	Chemical Oxygen Demand
COA	Certificate of Analysis
CHEMEXCIL	Member of Basic Chemicals Cosmetics & Dyes Export Promotion Council
EU	European Union
FD&C	Food, Drugs and Cosmetics
FDI	Foreign Direct Investment
HDPE	High Density Polyethylene
HI&I	Household Industrial and institutional
HALAL	This certification is a guarantee that the food is prepared in accordance with Islamic

	law and is unadulterated.
ISO	International Organization for Standardization
IBC	Intermediate Bulk Container
KOSHER	This Certificate is a document that certifies that a particular food item or product has been prepared in accordance with the Dietary Laws of Judaism
KL	Kiloliters
MT	Metric ton
MS	Mild Steel
PLI	Production-linked incentive
PH	Potential of Hydrogen
PCPIRs	Petroleum, Chemicals and Petrochemical Investment Regions
PP	Polypropylene
RV	Recreational vehicles
RTS	Ready-To-Spray
R&D	Research and development
SDS	Safety Data Sheet
TDS	Total dissolved solids
USA	United States of America

### **Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs./ Rupees/ INR/ ₹	Indian Rupees, the legal currency of the Republic of India
AS/ Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B.Com	Bachelor of Commerce
B.E	Bachelor of Engineering
B.Pharma	Bachelor of Pharmacy
B.Sc	Bachelor of Science
B.Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee/ Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number

CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ ICWA	Cost and Works Accountant
DG Set	Diesel Generator Set
MD	Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Instalments
EPS	Earnings Per Share
EGM/ EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY/ Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
GoI/ Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family



HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IT Act	Information Technology Act, 2000
IFRS	International Financial Reporting Standards
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LL.B	Bachelor of Law
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
MCA	Ministry of Corporate Affairs, Government of India
MBA	Master of Business Administration
MAT	Minimum Alternate Tax
Mn	Million
M.E	Master of Engineering
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was

	eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
OEM	Original equipment manufacturer
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PGDBM	Post Graduate Diploma in Business Management
PGDM	Post Graduate Diploma in Management
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI (PFUTP) Regulations/ PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SSI	Small Scale Industry
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number

TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
USA/ United States	United States of America
U.S. Securities Act	The United States Securities Act, 1933
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may Be.
Wilful Defaulter(s)	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose directors or promoters is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Special Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information of the Company*”, “*Outstanding Litigations and Material Developments*” and “*Issue Procedure*”, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

In this Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Deepak Chemtex Limited. All references in the Red Herring Prospectus to “India” are to the Republic of India. All references in the Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac/ Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac/ Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated financial information prepared for the period ended on September 30, 2023 and financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 147 of this Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Statutory Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 147 of this Red Herring Prospectus. As on date of the Red Herring Prospectus we have two subsidiaries, DCPL Speciality Chemicals Private Limited and South West Chemicals Corporation in New Jersey in USA. Our fiscal year commences on April 1 of every year and ends on March 31 of every next year.

For additional definitions used in this Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 255 of the Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### **Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Red Herring Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled ***“Basis for Issue Price”*** on page 78 of the Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

### **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled ***“Industry Overview”*** throughout the Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management's Discussion and Analysis of Financial Conditions and Results of Operations”*** on page 25, 103 and 182 respectively of this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

## **FORWARD LOOKING STATEMENTS**

This Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Inability to promptly identify and respond to changing customer preferences or evolving trends and If one or more of our major customers choose not to source their requirements from us or to terminate our long-term contracts;
3. Our ability to effectively manage the operations of and costs associated with our manufacturing facilities;
4. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations;
5. Certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances;
6. Our reliance on a combination of trade mark, trade secret, copyright law and contractual restrictions and our inability to protect our intellectual property rights;
7. Exchange rate fluctuations that may adversely affect our results of operations, since our sales from exports and a portion of our expenditures are denominated in foreign currencies;
8. We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results;
9. Failure to successfully upgrade our product portfolio, from time to time;
10. Any change in government policies resulting in increases in taxes payable by us;
11. Our ability to retain our key managements persons and other employees;
12. Changes in laws and regulations that apply to the industries in which we operate;
13. Our ability to grow our business;
14. Restrictions on the import of our raw materials and/or an increase in shipment costs;
15. Reduction in the demand of our products;
16. Failure to comply with the quality standards and requirements of our customers;
17. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
18. Company’s ability to successfully implement its growth strategy and expansion plans;
19. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
20. Inability to successfully obtain registrations in a timely manner or at all;
21. Occurrence of Environmental Problems & Uninsured Losses;
22. Conflicts of interest with affiliated companies, the promoter group and other related parties;
23. Any adverse outcome in the legal proceedings in which we are involved;
24. Inability to meet out the permissible food standards may lead to cancellation of HALAL & KOSHER certification.
25. Concentration of ownership among our Promoters;
26. Other factors beyond our control.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 25, 103 and 182 respectively of the Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



## **SECTION II – SUMMARY OF RED HERRING PROSPECTUS**

### **A. OVERVIEW OF BUSINESS**

We are primarily engaged in the business of manufacturing of colorants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries. We commenced our business in 1997 and have over the years evolved into manufacturing of a complete range of FD&C (Food, Drug and Cosmetic) colours used in the confectionary, bakery, desserts, beverage, dairy products, seasoning, pet foods, pharmaceutical products, cosmetics & personal care products. We also manufacture salt free dyes used in inkjet industry, pond dyes used in ponds, lakes, swimming pools etc. and other colorants.

### **B. OVERVIEW OF THE INDUSTRY**

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

### **C. PROMOTERS**

Saurabh Deepak Arora and Trishla Baid are the promoters of our Company.

### **D. DETAILS OF THE ISSUE**

This is an Initial Public Issue of upto 28,80,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs (“**The Issue**”), out of which 1,47,200 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs will be reserved for subscription by the market maker to the issue (the “**Market Maker Reservation Portion**”). The Issue less Market Maker Reservation Portion i.e. Issue of 27,32,800 Equity Shares of face value of ₹ 10 each, at an issue price of ₹ [●] per Equity Share for cash, aggregating to ₹ [●] lakhs is hereinafter referred to as the “**Net Issue**”. The Issue and Net Issue will constitute 26.51% and 25.15% respectively of the post- issue paid-up Equity Share capital of our Company.

### **E. OBJECTS OF THE ISSUE**

Our Company intends to utilize the proceeds of the Issue to meet the following objects:-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
1.	Funding capital expenditure towards installation of plant & machinery in our existing premises.	54.50
2.	Investment in our subsidiary DCPL Speciality Chemicals Private Limited for financing its capital expenditure towards installation of plant and machinery.	269.84
3.	Funding to meet working capital requirements	1250.00
4.	General Corporate Purpose.	[●]
	<b>Total</b>	<b>[●]</b>

*For further details please refer to the chapter titled “Object of the Issue” beginning on page 70 of this Red Herring Prospectus*

### **F. PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP**

Our Promoters and Promoter Group collectively holds 79,36,000 Equity shares of our Company aggregating to 99.40% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Red Herring Prospectus:-

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	%	Shares Held	%
	<b>Promoters</b>				
1	Saurabh Deepak Arora	71,37,552	89.40%	71,37,552	65.70
2	Trishla Baid	7,98,400	10.00%	7,98,400	7.35
	<b>Sub Total (A)</b>	<b>79,35,952</b>	<b>99.40%</b>	<b>79,35,952</b>	<b>73.05</b>
	<b>Promoter Group</b>				
3	Chandan Baid	16	0.00%	16	0.00
4	Sidharth Baid	16	0.00%	16	0.00
5	Narendra Kumar Baid	16	0.00%	16	0.00
	<b>Sub Total (B)</b>	<b>48</b>	<b>0.00</b>	<b>48</b>	<b>0.00</b>
	<b>Grand Total (A+B)</b>	<b>79,36,000</b>	<b>99.40%</b>	<b>79,36,000</b>	<b>73.05</b>

## **SUMMARY OF FINANCIAL INFORMATION**

Following are the details as per the restated financial statements for the stub period ended on September 30, 2023 and financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021:

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Consolidated	Consolidated	Consolidated	Standalone
Equity Share Capital	798.40	49.90	49.90	49.90
Net worth	1,879.90	1,568.88	938.43	516.51
Total Income	2,212.95	4,783.72	5,443.68	2,972.75
Profit after tax	311.18	630.20	423.10	263.47
Earnings per Share	3.90	7.89	5.30	3.30
Net Asset Value per Share (Based on Weighted Average Number of Shares)	23.55	19.65	11.75	6.47
Total Borrowings (including current maturities of long-term borrowings)	120.78	136.8	199.49	158.12

## **G. AUDITOR QUALIFICATIONS**

There are no audit qualifications which have not been given effect in the restated financial statements.

## **H. SUMMARY OF OUTSTANDING LITIGATIONS**

Our Company and promoters are currently involved in certain legal proceedings. The summary of outstanding litigation in relation to criminal and taxation matters against our Company and Promoters have been set out below:

*Litigations/ Matters against our Company:*

Nature of Litigation	Number of Cases Outstanding	Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)
<b><i>Against the Company</i></b>		
Taxation Liabilities (Direct Tax Cases)	6	1.78

*Litigations/ Matters against our Promoters:*

Nature of Litigation	Number of Cases Outstanding	Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)
<b><i>Against the Company</i></b>		
Criminal Cases	2	Unascertainable

## **I. RISK FACTORS**

For details on the risks involved in our business, please see the Chapter titled “*Risk Factors*” beginning on page 25 of this Red Herring Prospectus.

## J. SUMMARY OF CONTINGENT LIABILITIES

The details of contingent liabilities as at March 31, 2023 is set forth in the below table:

(₹ in Lakhs)

Particulars	As at September 2023 Consolidated	As at March 31,		
		2023 Consolidated	2022 Consolidated	2021 Standalone
In respect of Bank Guarantee given to MPCB	16.49	16.49	12.93	12.93
In respect of TDS & Income Tax matters	1.78	1.78	1.78	1.73
<b>TOTAL</b>	<b>18.27</b>	<b>18.27</b>	<b>14.71</b>	<b>14.66</b>

For further details, please refer to Annexure XXX- Contingent Liabilities of the chapter titled “*Financial Information of the Company*” on page 175 of this Red Herring Prospectus.

## K. SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the Stub period ended on September 30, 2023 and financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021:

(i) Names of the related party and nature of relationship where control/significant influence exists

Key management personnel (KMP) and their close members of family

Sr. No.	Name of the related party	Nature of relationship
1.	Saurabh Deepak Arora	Chairman and Managing Director
2.	Trishla Baid	Whole Time Director & CFO
3.	Rajesh Kalikaprasad Tiwari	Executive Director

(ii) Entity controlled or jointly controlled by a person identified in (i) above

- DCPL Speciality Chemicals Pvt Ltd
- Speciality Colours & Chemicals LLP
- South West Chemicals Corporation

(iii) Details of transactions with related parties and balances

Name	Relationship	Nature of transaction	30 Sept 2023	31 March 2023	31 March 2022	31 March 2021
			Consolidated	Consolidated	Consolidated	Standalone
Saurabh Arora	Chairman and Managing Director	Remuneration	6.00	10.28	14.70	13.62
		Loans & Advance Received	0.68	27.90	87.79	49.00
		Loans & Advance Repaid	16.03	0.00	19.43	50.55
		Closing Balance Receivable/(Payable)	-115.91	-131.25	-103.35	-34.99
Trishla Baid	Whole Time Director & CFO	Remuneration	6.00	11.95	10.76	19.19
Rajesh Tiwari	Director	Remuneration	6.34	12.84	5.12	-
Speciality Colours & Chemicals LLP	Entity controlled or jointly controlled by a person identified in (i)	Sales	0.44	16.64	21.39	-

	above					
(ii) Entity controlled or jointly controlled by a person identified in (i) above	Subsidiary	Sales	28.24	-	-	-
		Loan Given	104.27	64.22	25.00	-
		Closing Balance Receivable/(Payable)	184.49	89.22	25.00	-
South West Chemicals Corporation	Wholly owned Subsidiary	Sales	99.23	0.00	0.00	-
		Loan Given	0.02	0.00	0.00	-
		Closing Balance Receivable/(Payable)	0.02	0.00	0.00	-

For further details, please refer to the **Annexure XXXI Related Party Disclosures** of chapter titled **“Financial Information of the Company”** on page 147 of this Red Herring Prospectus.

#### L. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

#### M. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR

Sr. No.	Name of Promoters	Total No. of Equity Shares	Weighted Average Price* (in ₹ per equity share)
1.	Saurabh Deepak Arora	66,91,455	Nil
2.	Trishla Baid	7,48,500	

\*Except for the bonus issue of shares, which has been made by our Company on August 09, 2023, our Promoters have not acquired/been allotted any Equity Shares in the one year immediately preceding the date of this RHP and accordingly due to bonus issue of shares, the weighted average price is Nil.

#### N. AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Saurabh Deepak Arora	71,37,552	Nil
2	Trishla Baid	7,98,400	Nil

#### O. PRE IPO-PLACEMENT

Our Company is not considering any Pre-IPO Placement of equity shares of the Company.

#### P. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year.

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
August 09, 2023	74,85,000	10	Nil	Bonus in the ratio of 15:1 i.e. 15 Equity	Capitalization of Reserves	Saurabh Deepak Arora	66,91,455
						Trishla Baid	7,48,500
						Ravi Jagetiya HUF	33,600
						Kailesh Jagetia HUF	11,400

				Share for every 1 Equity Shares held	& Surplus*	Chandan Baid	15
						Sidharth Baid	15
						Narendra Kumar Baid	15
<b>Total</b>							<b>74,85,000</b>

*\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose*

**Q. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

Pursuant to Shareholders' resolution dated June 10, 2023, the face value of Equity Shares of our Company was subdivided from Rs.100.00 per Equity Share to Rs. 10.00 per Equity Share.

**R. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI

### **SECTION III – RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Red Herring Prospectus, particularly the ***“Financial Information of the Company”*** and the related notes, ***“Our Business”*** and ***“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** on page 147, 103 and 182 respectively of this Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

#### Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

#### Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in ***“Risk Factors”*** on page 25 and ***“Management Discussion and Analysis of Financial Condition and Results of Operations”*** on page 182 of this Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the ***“Restated Consolidated Financial Statements”*** on page 147 of this Red Herring Prospectus.

- 1. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations could have an adverse effect on our business, financial condition and results of operations.***

We conduct our operations through our manufacturing facility situated at Ratnagiri District in Maharashtra. The core of our business relies on efficient management of the manufacturing facility, however our operations face a spectrum of operational risks, some of which are beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our plant & machinery, our IT systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair our assets and systems in a timely manner or at all, our operations may need to be suspended until we procure the appropriate assets to replace them. In addition, we may be required to carry out planned

shutdowns of our facilities for maintenance, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Success of our operations depend on availability of labour and good relationships with our labour force. As of the date of this Red Herring Prospectus, our employees are not members of any organised labour unions. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations. Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. Although we have not experienced any significant disruptions at our manufacturing facilities 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 shutdown of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, financial condition and results of operations.

**2. We derive a significant part of our revenue from major customers and we do not have long term contracts with these customers. If one or more of such customers choose not to source their requirements from us, our business, financial position and results of operations may be adversely affected.**

Our customer base currently comprises a host of international and domestic companies. During the Fiscal 2023, our largest customer contributed approximately 25.59% of our revenue from operations. Our top 10 customers contributed approximately 76.41%, 73.13% and 63.62% of our revenue from operations for year ended on 31<sup>st</sup> March 2023, 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021 respectively. We expect that we will continue to be reliant on our major customers in future. Accordingly, any failure to retain these customers and/or negotiate on terms that are commercially viable, with these select customers, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, financial position and results of operations. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to finalization, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs with regard to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation of purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer, which include those customers who may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and prospects. We typically do not enter into long-term agreements with any of our customers, and an inability to continue to engage with them would have a material adverse effect on our business, results of operations and financial condition.

**3. Our reliance on certain industries for a significant portion of our sales could have an adverse effect on our business**

We are primarily engaged in the business of manufacturing of colorants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries. Consequently, our revenues are dependent on the end user industries that use our products as an input. The table set forth below provides customer segment split of our revenue from operations for stub period ended on September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021.

(Rs in lakhs)

Industry Segment	Sept 30, 2023	%	Fiscal 2023	%	Fiscal 2022	%	Fiscal 2021	%
HI&I - Household Industrial and institutional	654.03	30.08%	2266.71	48.53%	3462.18	63.99%	1167.46	39.50%
Food	213.59	9.82%	411.42	8.81%	696.51	12.87%	991.46	33.54%
Cosmetics	171.84	7.90%	181.87	3.89%	135.48	2.50%	195.13	6.60%
Pharmaceuticals	155.35	7.14%	63.25	1.35%	0.00	0.00%	0.00	0.00%
Industrial	321.07	14.77%	33.97	0.73%	4.14	0.08%	7.84	0.27%
Agriculture	412.95	18.99%	7.59	0.16%	6.97	0.13%	6.59	0.22%



Others	245.58	11.29%	1705.48	36.52%	1105.59	20.43%	587.19	19.87%
<b>Total</b>	<b>2174.40</b>	<b>100%</b>	<b>4670.29</b>	<b>100%</b>	<b>5410.87</b>	<b>100%</b>	<b>2955.66</b>	<b>100%</b>

Factors affecting any of these industries in general, or any of our customers in particular, could have a cascading adverse effect on our business, financial condition and results of operations. Such factors include, but are not limited to, the following:

- a) seasonality of demand for our customers' products, which may cause our manufacturing capacities to be underutilized during specific periods;
- b) our customers' failure to successfully market their products or to compete effectively;
- c) change in any registration requirements or non-renewal of registrations or imposition of a regulatory ban, or trade sanctions imposed across the country or any such restrictions on the business or product or customer's final product;
- d) loss of market share, which may lead our customers to reduce or discontinue the purchase of our products;
- e) economic conditions of the markets in which our customers operate;
- f) regulatory issues faced by these industries in India and internationally;
- g) downturns or industry cycles that impact demand; and
- h) changes in technology or consumer tastes and requirements that alter demands for our products.

**4. We derive a majority portion of our revenues from exports and are subject to risk of international trade.**

We have historically derived a significant portion of our revenues from operations from export to countries like: China, France, Kenya, Mexico, Europe, Japan, Australia, United Kingdom, United States of America etc. During the Stub period ended on September 30, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021, our revenues from our exports amounted to ₹1009.32, ₹ 2,686.38 lakhs, ₹ 1,810.44 lakhs and ₹ 707.34 respectively, which constituted 46.42%, 57.52%, 33.46% and 23.93% respectively, of our total revenues from operations. Therefore, any developments in the global economy or the industries in which our customers operate could have an impact on our sales from exports. For instance, there was unrest in Ukraine due to outbreak of war between Russia and Ukraine which began on February 24, 2022. Accordingly, all our exports in European countries had disrupted and we were facing challenges or delays for our payments. If such severity persists or similar war like situations occurs between countries across the globe in future our revenue from export may be affected. Further from time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries where we export, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

Our operations are subject to risks that are specific to each country from where our customers operate, including:

- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action, which may adversely affect our business and operations;
- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, which may impose onerous and costly obligations on our multinational customers.
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies and
- Fluctuations in foreign currency exchange rates against the Indian Rupee

In addition, our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures including as a result of anti-dumping measures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations or to successfully introduce new products in these markets could adversely affect our business, prospects, results of operations and financial position. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. In the event we are unable to effectively address or comply with changes in foreign laws, or

meet the conditions stipulated in our licenses, we may be subject to penalties and other regulatory actions, which could adversely affect our reputation, business, prospects, result of operations and financial condition.

***5. Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a portion of our expenditures are denominated in foreign currencies.***

Our financial statements are prepared in Indian Rupees and our business involves transactions with foreign companies which is received or paid in U.S. Dollars, EURO and other foreign currencies. Our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees. A depreciation of Rupee against these foreign currencies would mean that our import of raw materials would become expensive and will impact our profitability. Similarly, any appreciation of Rupee against these foreign currencies would mean that our sales become cheap. During the Stub Period ended on September 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021 the cost of raw material imported amounted to ₹ 196.43, ₹ 422.39 lakhs, ₹ 157.84 lakhs and ₹ 165.81 lakhs respectively, which constituted 17.22%, 15.67%, 4.83% and 11.31% respectively, of our total raw material purchased. Similarly, during the stub period ended on September 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our revenues from our exports amounted to ₹1009.32, ₹ 2,686.38 lakhs, ₹ 1,810.44 lakhs and ₹ 707.34 respectively, which constituted 46.42%, 57.52%, 33.46% and 23.93% respectively, of our total revenues from operations. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We have earned gains due to these fluctuations in foreign currency during stub period ended on September 30, 2023 and in the Fiscal 2023, Fiscal 2022 and Fiscal 2021 of ₹ 9.89 lakhs, ₹ 38.80 lakhs, ₹ 10.18 lakhs and ₹ 2.84 lakhs respectively. The exchange rate between the Rupee and the foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. We bear the complete risk of currency exchange rate fluctuations. We are affected by fluctuations in exchange rates and we cannot assure you whether hedging or other risk management strategies will be effective. There can be no assurance that we will be able to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

***6. We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders.***

All our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers and also covered under the quality standards of various certifications such as Halal and Kosher. We are often required to secure EN71 (European Union) certification for our products. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product hygiene, quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in product manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacturing of faulty end-products by our customers. This may lead to cancellation of supply orders by our customers. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation of our Company, cancellation of the order, loss of customers, rejection of the product, which will require us to incur additional cost to replace the rejected product, all or any of which could have adverse effect on our business and financial condition. Additionally, it could expose us to monetary liability and/ or litigation. Further our facilities, process and products are exposed to regular inspection and audits by our customers to ensure that their internal standards are appropriately met. Any non-compliance observed during inspection/audit may have an adverse impact on our business, financial condition, results of operations and future prospects. Any negative publicity regarding our Company or our products could adversely affect our reputation, our operations and our results from operations.

***7. Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.***

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand/ Potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the Stub period ended on September, 2023, FY 2022-23, 2021-22 and 2020-21 our inventories were ₹496.72, ₹ 429.38 lakhs, ₹ 215.41 lakhs and ₹ 218.46 lakhs.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the stub period ended on September, 2023, FY 2022-23, 2021-22 and FY 2020-21 our trade receivables were ₹1328.02 ₹ 1,113.79 lakhs, ₹ 844.22 lakhs and ₹ 518.13 lakhs respectively. As on March 31, 2023 our outstanding due from the top debtor amounted to ₹ 482.86 lakhs representing 42.44% of our total debtors. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. Such situation may require an additional and, consequently, higher finance cost which will adversely impact our profitability.

**8. *We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.***

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, treatment, processing, along with other aspects of our manufacturing operations. For instance, there is a limit on the amount of pollutant discharge that our manufacturing facility may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility. The occurrence of any of these events could have an adverse effect on our business, results of operations and financial condition.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

**9. *Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.***

Government regulations and policies of India as well as in the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations. Our Company may be required to alter our manufacturing and/ or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with

the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/ or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

***10. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 1956/2013. Some of our corporate records are not traceable. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.***

Our company has missed to comply with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor. There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which includes non-filing of form AOC-4 and MGT-7 for FY 2013-14. The company had taken loan which was in non-compliance with provisions of Section 73 of Companies Act, 2013, however all such loan has been repaid as on date of this Draft Red Herring Prospectus. Further, our Company has not filed e-form CHG-1 for creation of charge on certain vehicle loans in the past, which is a non-compliance of Section 77 of the Companies Act, 2013, however all such loans have been repaid as on date of this Red Herring Prospectus.

Further certain of our corporate records in relation to annual returns and financial statements namely form 20B, form 23AC and form 23ACA prior to March 31, 2007 along with forms in relation to appointment and resignation of statutory auditors prior to March 31, 2011 namely form 23B filed with the Registrar of Companies are not traceable in the historical records maintained by our Company, or at the MCA Portal maintained by the Ministry of Corporate Affairs and the Registrar of Companies, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. We have obtained physical search report dated August 24, 2023 from N K M & Associates, practicing company secretary in relation to such untraceable corporate records. Further certain statutory records such as Minutes Book pertaining to the years prior to 2006 are not traceable by us. Accordingly, we have relied on the other corporate records maintained by the Company such as statutory registers to ascertain the information for the missing corporate records. While no legal proceedings or regulatory action has been initiated against us in relation to the unavailable filings and statutory lapses as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future in relation to the missing filings and corporate records. We cannot assure you that any such proceedings will not have a material adverse effect on our financial condition or reputation. Further in the balance sheets filed by the company with Registrar of Companies for the period upto 2021-22 there has been erroneous disclosure regarding Interest free Non-Convertible debentures issued by the company but the same was actually unsecured loan taken by the company from its directors and their relatives. We have rectified the same in the restated financial statements of the company. Further, there are certain forms which are filed with delayed fees with RoC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

***11. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business, financial condition and results of operations***

During the Stub period ended on September, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of goods sold (cost of materials consumed, Purchase of stock in trade and changes in inventories of finished goods) was ₹1286.78, ₹ 2,903.54 lakhs, ₹ 3,736.20 lakhs and ₹ 1,826.64 lakhs respectively, which represented 59.18%, 62.17%, 69.05% and 61.80% of our revenue from operations. The raw materials we use in our manufacturing process are primarily sourced from third party suppliers in India and some are also imported from China. In addition, we usually do not enter into long-term supply contracts/ agreements with any of our raw material suppliers and typically source raw materials from the open market. The absence of long-term contracts/agreements at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations.

The quality of our products 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 our products, 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 of such raw materials at all times.

Further our Company has outstanding dues of trade payables during the stub period ended on September, 2023, Fiscals 2023, 2022 and 2021 of ₹575.51, ₹ 426.12 lakhs, ₹ 380.50 lakhs and ₹ 324.37 lakhs respectively. Any delay in payment to our creditors may impact our long-standing relations with our suppliers and may result in stoppage of timely or at all delivery of raw material. Any such disruption would impact the production and overall financial position of our Company.


***12. We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.***

We face competition in our business based on pricing, relationships with customers, product quality, customization, and innovation. We face pricing pressures from companies, that are able to produce such products at competitive costs and consequently, may supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such domestic or multinational competitors which would adversely affect our business, financial condition and results of operations. Additionally, some of our competitors may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovate and develop new products, offer competitive prices due to economies of scale and also ensure product quality and compliance.

***13. Our manufacturing facility is located in Ratnagiri District in Maharashtra exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters***

Our manufacturing facility is located in Ratnagiri in Maharashtra. The concentration of all of our manufacturing operations in Ratnagiri exposes us to adverse developments related to regulation, as well as political or economic, demographic and other changes in Maharashtra as well as the occurrence of natural and man-made disasters in Maharashtra, which may adversely affect business, financial condition and results of operations. Our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the state government. As a result, any unfavorable policies of the state government or state or local governments in this region, could adversely affect our business, financial condition and results of operations.

***14. The logo used by our Company is not registered under the Trade Marks Act, 1999. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.***

Presently, our Company is using the logo  and we have not applied for registration of the same under the Trade Marks Act, 1999. Therefore as on date we do not enjoy the statutory protections that are accorded to a registered trademark. Further, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. Thus, we cannot guarantee that the application made for registration of our trademark in future will be allowed. In case we are unable to obtain the registration for the said trademark in our name, our business revenues and profitability may be impacted.

***15. We are dependent on our promoter and 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 Chairman and Managing Director, Saurabh Deepak Arora; our Whole time Director and CFO Trishla Baid and our Executive Director, Rajesh Kalikaprasad Tiwari and our other key personnel. They have gained experience in this line of business and have over the years-built relations with suppliers, 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 senior management, in particular, and other key personnel are valuable for procurement of raw materials, successful delivery of products and our overall business operations of our Company. For details in relation to the experience of our key management personnel, see ***“Our Management”*** on page 128 of this 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.

**16. Our Company and promoters 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 promoters are currently involved in certain legal proceedings. The summary of outstanding litigation in relation to criminal and taxation matters against our Company and Promoters have been set out below.

*Litigations/ Matters against our Company:*

<b>Nature of Litigation</b>	<b>Number of Cases Outstanding</b>	<b>Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)</b>
<b>Against the Company</b>		
Taxation Liabilities (Direct Tax Cases)	6	1.78

*Litigations/ Matters against our Promoters:*

<b>Nature of Litigation</b>	<b>Number of Cases Outstanding</b>	<b>Amount in dispute/demanded to the extent ascertainable (Amount in lakhs)</b>
<b>Against the Company</b>		
Criminal Cases	2	Unascertainable

*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 Red Herring Prospectus*

For further details, see **“Outstanding Litigation and Material Developments”** beginning on page 194 of this Red Herring Prospectus. Any adverse decisions in the aforesaid proceedings may have a material effect on our business, future financial performance and results of operations.

**17. The improper handling, processing or storage of our raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.**

All the products that we manufacture are for human consumption or usage and are subject to risks such as contamination, adulteration and product tampering during their manufacture, transport or storage. Our raw materials and our products are required to be stored, handled and transported at specific temperatures and some under certain food safety conditions. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any allegation that our products contain contaminants could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

**18. Our Company operates under several statutory and regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals may affect our business and results of operations.**

Our business operations necessitate various statutory and regulatory permits, licenses, and approvals. While we believe that we have acquired the necessary permits and licenses essential for our business operations, we cannot guarantee that we have identified every statutory or regulatory requirement that may apply to our operations. Additionally, some of these approvals have finite durations and mandate periodic renewals. We are obligated to ensure the renewal of these permits, licenses, and approvals. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. However, we are yet to apply for fire NOC and registration under Contract Labour (Regulation and Abolition) Act, 1970 for our factory at Lote, Ratnagiri in Maharashtra. Further, we are yet to apply for registration under Shop & Establishment Act and registration under Professional Tax for our corporate office at Chennai. Our Company is in the process of making application for change in name in all the permits, licenses and approvals, which are under Company’s former name.

Furthermore, in the past our Company was not registered under the Employees’ State Insurance Act, 1948 and did not make payments of contribution, as applicable thereunder. Though our Company has presently obtained the requisite

registrations, there can be no assurance that our Company, our directors and our officers will be made liable for penalties for such non-compliance in the past.

We cannot assure you that the approvals, licenses, registrations and permits required will be issued to us and those already issued will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see *“Government and Other Approvals”* on page 197 of this Red Herring Prospectus.

***19. If we are unable to manage our growth effectively and further expand into new markets our business, future financial performance and results of operations could be materially and adversely affected.***

The success of our business will depend on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including by Continuing to strengthen our existing product portfolio with attractive growth and profitability prospects, to strive for cost efficiency, attracting and retaining talented employees and focusing on consistently meeting quality standards

As we continue to grow our business and expand into newer markets, we may face several challenges, including as set forth below:

- acquiring new customers;
- identifying customer requirements and preferences in such markets;
- obtaining approvals and certifications for our products in such jurisdictions;
- making accurate assessments of the resources we will require;
- preserving a uniform culture, values and work environment;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of customer satisfaction; and
- adhering to expected performance and quality standards.

In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations.

Our operating expenses and capital requirements may increase significantly pursuant to our expansion plans. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. An inability to implement our future business plan, manage our growth effectively, further expand into new markets or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

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

Our Contingent liabilities as on September 30, 2023 were Rs 18.27 lakhs. If these contingent liabilities materialize, fully or partly, the financial condition of our Company could be affected.

*(Rs. In lakhs)*

Particulars	As at Sept 30. 2023 Consolidated	As at March 31,		
		2023	2022	2021
		Consolidated	Consolidated	Standalone
In respect of Bank Guarantee given to MPCB	16.49	16.49	12.93	12.93
In respect of TDS & Income Tax matters	1.78	1.78	1.78	1.73
<b>TOTAL</b>	<b>18.27</b>	<b>18.27</b>	<b>14.71</b>	<b>14.66</b>

For more information, regarding our *contingent liabilities*, please refer *“Annexure XXX”* in chapter titled *“Financial Information of the Company”* beginning on page 175 of this Red Herring Prospectus.

***21. If we fail to identify and effectively respond to changing consumer tastes and 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 market is characterized by frequent changes, particularly in consumer tastes and preferences, new products and product variations. The popularity and demand of a product may vary over time due to changing culinary habits, consumer tastes and preferences, including those relating to durability, quality and purity 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 react in a timely and cost-effective manner to changes in consumer tastes and preferences for our products, as well as to where and how consumers shop for these products. 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.

***22. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, financial condition and results of operations.***

Our future success may depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs (in comparison to our competitors who are able to successfully implement such technologies) and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our profitability. Any of the above events may adversely affect our business, financial condition, results of operations and prospects.

***23. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.***

Our insurance coverage may not be adequate to cover such claims or may not be available to the extent we expect. For details of the insurance policies that we maintain, see ***"Our Business – Insurance"*** on page 103 of the Red Herring Prospectus. A successful claim that exceeds or is not covered by our policies could require us to pay substantial sums. Our Company has maintained various insurance policies, in amounts that we believe are commercially appropriate, including Employee's Compensation Insurance. Although, we attempt to obtain coverage for and mitigate our liability for damages arising from negligent acts, errors or omissions through insurance policies, our liability may sometimes not be covered as a result of the limitations of liability set forth in our insurance policies. In such event, our insurance policies may not protect us from liability for damages, which may lead to financial liability and other adverse consequences.

We have not insured Building, Stock and Plant & machinery against burglary or fire at our factory premises. Further we have not insured our risk pertaining to Group Personal Accident – Policy, Keyman Insurance Policy, Marine Cargo Open Insurance, and insurance for our corporate office. The absence of such policies may affect our production facilities to halt, and may hinder our operations. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

***24. We are dependent on third party transportation providers for the delivery of our raw material and products. Accordingly, continuing increases in transportation costs or unavailability of transportation services may have an adverse effect on our business, financial condition, results of operations and prospects.***

We use third party transportation providers for the delivery of our raw material and products. Transportation strikes if happen could have an adverse effect on overall industry and accordingly may affect our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing



over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an additional cost escalation which may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

Freight Charges represented 1.87%, 4.56%, 3.45% and 2.06% respectively, of our total revenue from operations during Stub period ended on September, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition and results of operations.

***25. We have significant working capital requirements. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.***

Our business requires significant working capital including in connection with our manufacturing operations, financing our inventory, purchase of raw materials and our development of new products which may be adversely affected by changes in terms of credit and payment. A large amount of our working capital is blocked in trade receivables and inventories. Delays in payment under on-going purchase orders or reduction of advance payments and/or accelerated payments to suppliers, could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded. We may also be unable to adequately finance our working capital requirements on account of various factors, including extraneous factors such as delay in disbursements under our financing arrangements, increased interest rates, insurance or other costs, or borrowing and lending restrictions or finance our working capital requirements on commercially acceptable terms or at all, devolvement of our bank guarantees by our bankers etc., each of which may have a material adverse effect on our business, financial condition, prospects and results of operations. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

***26. Activities involving our manufacturing process can cause injury to people or property in certain circumstances. A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, sales and ability to meet customer demand.***

Although 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, destruction of property or equipment, environmental damage, manufacturing or delivery delays, 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. In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

***27. Our corporate office is on rented premises.***

The corporate office of our company situated at No. 8/7, Avenue Road, Nungambakkam, Chennai - 600034 is 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 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 infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we do not comply with certain conditions of the rent agreement, it may lead to termination of the same which would have an adverse effect on our operations and there can be no assurance that renewal of rent agreement will be entered into. In the event of nonrenewal, we may be required to shift to a new location and

there can be no assurance that the arrangement our Company entered into in respect of new premises would be on such terms and conditions as the present one. For details on properties taken on rent by us please refer to the section titled **“Our Business”** beginning on page 103 of this Red Herring Prospectus.

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

We are in the business of manufacturing of colorants used in wide range of industries. Our products are majorly used for commercial and household consumption or usage. Thus the markets in which we compete are characterized by changing consumer tastes, preferences, evolving industry standards and continuous improvements in product quality and variants. These conditions frequently result in short product life cycles. Moreover we are dependent on the spending habits of the consumers in India. If the end-user demand is low, 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.

***29. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s financial condition and results of operations.***

Our Company has entered into various transactions with our directors, promoters, promoter group entities and subsidiaries. These transactions, inter-alia includes sales, remuneration, loans and advances etc. For details, please refer to **“Annexure -XXXI - Related Party Transactions”** under Section titled **“Financial Information of the Company”** and Chapter titled **“Capital Structure”** beginning on page 175 and 59 respectively of this Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution in accordance with 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 favourable 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.

***30. Some of our Promoter Group Entities are engaged in similar line of business. Any conflict of interest in future may occur between our promoter group entities and us may adversely affect our business, prospects, results of operations and financial condition.***

Our Promoter Group Entities Ocean Health And Medical Private Limited, CLB Pharmaceuticals Private Limited, Farben Life LLP and Speciality Colours & Chemicals LLP are engaged in the similar line of business. We will endeavour to take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future. We cannot assure you that our Promoters will not favour the interests of our promoter group entities over our interests in future or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

***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 September 30, 2023, the unsecured loan amounting to ₹ 115.91 lakhs were due to directors and their relatives. In the event that directors seek a repayment of any such loan, our Company would need to find alternative sources of financing to the extent of outstanding balance. Also, there is no formal agreement with promoters and their relative for such financing arrangements. 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 181 of this Red Herring Prospectus.

***32. Relevant copy of educational qualifications of some of our Directors is not traceable.***

Relevant copy of the educational qualification of our Directors, Saurabh Deepak Arora, Trishla Baid and Rajesh Kalikaprasad Tiwari are not traceable. Therefore for the purpose of disclosure requirements of brief profile as disclosed

in the section titled **“Our Management”** on page 128 of this Red Herring Prospectus, we have relied on the affidavit provided by them.

**33. Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospects and future financial performance. Moreover, information relating to capacity utilization of our production facility included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Our capacity utilization is affected by the availability of raw materials, industry and market conditions as well as by the product requirements of, and the procurement practice followed by, our customers. In the event that we are unable to achieve full capacity utilization of our current manufacturing facilities, this would result in operational inefficiencies which may have an adverse effect on our business, financial condition, cash flows, future prospects and future financial performance. During the fiscal 2023, 2022 and 2021 our capacity utilization were 82%, 71% and 80% respectively. Under- utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could adversely impact our business, growth prospects and future financial performance. For further details in relation to our capacity utilization, see **“Our Business”** on page 103 of the Red Herring Prospectus.

In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently. Further information relating to capacity utilization of our production facility included in this Red Herring Prospectus is based on various assumptions and estimates of our management, assumptions relating to type of product, availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization of our facilities. Undue reliance should therefore not be placed on our capacity utilization information for our existing facilities included in this Red Herring Prospectus. For further information, see the section titled **“Our Business”** on page 103 of this Red Herring Prospectus.

**34. The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.**

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled **“Objects of the Issue”**. The fund requirement and deployment, as mentioned in the section titled **“Objects of the Issue”** on page 70 of this Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter **“Objects of the Issue”** is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter **“Objects of the Issue”** will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

**35. Any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.**

We propose to utilize the Net Proceeds for Funding capital expenditure towards Purchase and installation of Machinery in the existing premises, Investment in our Subsidiary DCPL Speciality Chemicals Private Limited for financing its capital expenditure towards installation of Plant and Machinery, Funding to meet working capital requirements and general corporate purposes. For further details of the proposed objects of the Issue, see **“Objects of the Issue”** beginning on page 70. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide

an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

***36. Industry information included in this Red Herring Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.***

This Red Herring Prospectus includes information on Industry in which we operate from various sources. For further details, please see "***Industry Overview***" beginning on page 88. The data has been furnished by independent agency on their websites and has no relationship with our Company, its Promoters, Directors, or the Book Running Lead Manager as on the date of this Red Herring Prospectus. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

***37. 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.

***38. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement as detailed in the section titled "***Objects of the Issue***" is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled "***Objects of the Issue***" beginning on page 70 of this Red Herring Prospectus.

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

Our Company is engaged in the manufacturing business, 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 Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for late payments or non-payments for any previous year and current year will affect the financial position of the Company. For instance, our company in the past had delayed filing of GST Returns due to operational reasons and accordingly paid late fees and penalties on the same. Any demand or penalty raised by the concerned GST authority for such late filing may affect the financial position of the company.

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

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 146 of the Red Herring Prospectus.

**41. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.**

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

**42. Technology failures or Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition**

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, production scheduling, raw material ordering, invoicing, delivery, customer relationship, management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers.

We face cyber threats, threats to the physical security of our facilities and employees, the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and intrusion preventions systems to prevent hacking. If we are unable to protect sensitive information, our customers could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, the impact of any future incident cannot be predicted.

**43. The average cost of acquisition of Equity Shares by our Promoters is lower than the face value of Equity Share.**

The average cost of acquisition of Equity Shares of our Promoters is lower than the face value of Equity Shares i.e., ₹10/- The details of average cost of acquisition are as under:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Saurabh Deepak Arora	71,37,552	Nil
2	Trishla Baid	7,98,400	Nil

For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see section titled **“Capital Structure”** beginning on page 59 of this Red Herring Prospectus.

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

Our promoters along with the promoter group will continue to hold collectively 73.05 % of the post issue paid up 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 effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters and promoter group 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.

**45. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.**

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our 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 favorable 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 - equity ratio to increase or require us to create charges or liens on our assets in favor 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 future 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.

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

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under "***Basis for the Issue Price***" on page 78 and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges, strategic actions by us or our competitors, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

***47. Certain data mentioned in this 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.

***48. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual

Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within six (6) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within six Working Days from the Bid/Issue 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 operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing

## **EXTERNAL RISK FACTORS**

### ***49. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. 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.

### ***50. Our business and results of operations could be adversely affected by disruptions in global economic and geo political conditions.***

As substantially all of our operations are dependent on our customers who have their head offices or parent companies situated outside India, our financial performance and growth are necessarily dependent on economic conditions prevalent globally. The global economy may be materially and adversely affected by political instability or regional conflicts; a general rise in interest rates; inflation; exchange rate fluctuations; changes in tax, trade, and monetary policies; occurrence of natural or man-made disasters; downgrade in debt rating; and adverse economic conditions occurring elsewhere in the world, such as a slowdown in economic growth in China, the repercussions of the United Kingdom exit from the European Union and other matters. While the Indian economy has grown significantly in recent years, it has experienced economic slowdowns in the past due to global economic and geo political conditions. The Indian economy in particular could be adversely impacted by inflationary pressures, currency depreciation, the poor performance of its large agricultural and manufacturing sectors, trade deficits, recent initiatives by the Indian government and other factors. Unfavourable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

### ***51. If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on

employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

***52. The continuing effect of the COVID-19 pandemic on our business, results of operations and financial condition is highly uncertain and cannot be predicted.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could adversely affect the overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and lockdowns. These measures have impacted and may further impact our workforce and operations, the operations of our consumers. In case there is a rapid increase in severe cases of infections leading to deaths, where the measures taken by governments are not successful or are any bans imposed by the government in this regard are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general. The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession.

***53. A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by center or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

***54. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter ***“Government and Other Statutory Approvals”*** on page 197 for details of the laws currently applicable to us. The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing



and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see ***“Outstanding Litigation and Material Developments”*** on page 194. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India’s Ministry of Finance on September 20, 2019, prescribes a number of changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt for a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies. Any such future amendments may affect other benefits such as an exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would influence our profitability.

The Finance Act, 2022 (“Finance Act”), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax (“DDT”), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2023, which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

***55. Instability in financial markets could materially and adversely affect our results of operations and financial condition.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors’ reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE’s benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

***56. Natural calamities could have a negative impact on the Indian economy and cause Our Company’s business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***57. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate

that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

***58. Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)(2)</sup></b>	Issue of upto 28,80,000* Equity Shares of face value of ₹10 each fully paid-up of our Company.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	Up to 1,47,200 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Up to 27,32,800 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Out of which*</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than 13,64,800 Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
i) Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than 4,11,200 Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than 9,56,800 Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	79,84,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	Up to 1,08,64,000 Equity Shares of face value ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled <b>“Objects of the Issue”</b> on page 70 of this Red Herring Prospectus.

\*Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 20, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on September 21, 2023.
- 3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e., not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.
- 4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor

Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 224 of this Red Herring Prospectus.

**SUMMARY OF OUR FINANCIAL STATEMENTS**

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED  
ANNEXURE – I**

(₹ in Lakhs)

Particulars	Annexure No.	As at	As at March 31,		
		Sept. 2023	2023	2022	2021
		Consolidated	Consolidated	Consolidated	Standalone
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	V	798.40	49.90	49.90	49.90
(b) Reserves and Surplus	VI	1,081.50	1,518.98	888.53	466.61
<b>(2) Minority Interest</b>		0.89	0.73	0.97	-
<b>(3) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	VII	-	4.25	27.39	30.71
(b) Deferred Tax Liability (Net)	VIII	-	-	-	2.03
(c) Long term provision	IX	31.13	27.33	20.37	18.19
(d) Other long-term Liabilities					
<b>(4) Current Liabilities</b>					
(a) Short Term Borrowing	X	120.78	132.55	172.10	127.41
(b) Trade Payables	XI	575.51	426.12	380.50	324.37
(c) Other Current Liabilities	XII	122.31	116.92	151.96	80.31
(d) Short-Term Provisions	XIII	90.11	105.55	23.45	7.72
<b>TOTAL</b>		<b>2,820.64</b>	<b>2,382.32</b>	<b>1,715.17</b>	<b>1,107.25</b>
<b>II.ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant & Equipment's					
- Tangible Assets	XIV	505.05	436.69	297.22	264.68
- Capital WIP		57.88	9.39	-	-
(b) Non-Current Investment		-	-	-	-
(c) Deferred Tax Assets (net)	VIII	9.82	6.74	1.98	-
(d) Long-term loans and advances	XV	26.62	26.42	19.22	16.41
(e) Other non-current assets		-	-	-	-
<b>(2) Current Assets</b>					
(a) Inventories	XVI	496.72	429.38	215.41	218.46
(b) Trade receivables	XVII	1,328.02	1,113.79	844.22	518.13
(c) Cash and Cash Equivalents	XVIII	223.15	100.31	42.24	16.63
(d) Short-Term Loans and Advances	XIX	45.69	31.30	46.68	29.12
(e) Other Current Assets	XX	127.69	228.30	248.19	43.81
<b>TOTAL</b>		<b>2,820.64</b>	<b>2,382.32</b>	<b>1,715.17</b>	<b>1,107.25</b>

**STATEMENT OF PROFIT AND LOSS AS RESTATED  
ANNEXURE - II**

(₹ in Lakhs)

Sr. No.	Particulars	Annexure No.	As at	For the year ended March 31,		
			Sept. 2023	2023	2022	2021
			Consolidated	Consolidated	Consolidated	Standalone
<b>A</b>	<b>Revenue:</b>					
	Revenue From Operations	XXI	2,174.40	4,670.29	5,410.87	2,955.66
	Other Income	XXII	38.54	113.43	32.81	17.09
	<b>Total Revenue</b>		<b>2,212.95</b>	<b>4,783.72</b>	<b>5,443.68</b>	<b>2,972.75</b>
	<b>Expenses:</b>					
<b>B</b>	Cost of Material Consumed	XXIII	1,046.87	2,681.66	3,258.14	1,456.37
	Purchase of stock in Trade	XXIV	208.89	417.79	464.21	378.16
	Changes in inventories of finished goods	XXV	31.02	-195.91	13.85	-7.90
	Employee benefit expenses	XXVI	140.89	222.78	195.65	168.89
	Financial Cost	XXVII	3.25	6.82	9.46	7.68
	Depreciation and amortization expenses	XXVIII	36.92	65.85	54.27	57.26
	Others Expenses	XXIX	332.37	741.71	884.44	545.98
	<b>Total Expenses</b>		<b>1,800.21</b>	<b>3,940.70</b>	<b>4,880.01</b>	<b>2,606.44</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>		<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>
	Less: Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>		<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>
	Prior Period Items		-	-	-	-
	Extra ordinary items		-	-	-	-
<b>D</b>	<b>Profit before tax</b>		<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>
	Tax expense:					
	Current tax		104.63	216.77	145.79	103.94
	Income tax relating to earlier year		-	-	-	-0.46
	Deferred Tax		3.08	4.76	5.22	1.57
	<b>Profit/(Loss) for the period After Tax - PAT</b>		<b>311.18</b>	<b>631.02</b>	<b>423.10</b>	<b>263.47</b>
<b>E</b>	Earning per Equity Share: Basic/Diluted					
	(1) Basic		3.90	7.89	5.30	3.30
<b>F</b>	(2) Diluted		3.90	7.89	5.30	3.30

**STATEMENT OF CASH FLOW AS RESTATED**

**ANNEXURE - III**

(₹ in Lakhs)

Particulars	As at	For the year ended March 31,		
	Sept. 2023	2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>Cash Flow from Operating Activities:</b>				
Net Profit before tax as per Profit and Loss A/c	412.74	843.03	563.67	366.30
<b>Adjustments for:</b>				
Depreciation & Amortisation Expense	36.92	65.85	54.27	57.26
Interest Income	-4.28	-5.81	-0.02	-0.61
Finance Cost	3.25	6.82	9.46	7.68
Foreign Currency Fluctuation Reserve	0.1	-	-	-
Previous years Adjustments	-	-	-	-19.14
Share in Loss Allocated to Minority Interest	-0.17	0.24	0.03	-
<b>Operating Profit Before Working Capital Changes</b>	<b>448.47</b>	<b>910.13</b>	<b>627.41</b>	<b>411.49</b>
Adjusted for (Increase)/ Decrease in:				
Trade Payables	149.39	45.62	56.14	-125.42
Other Current Liabilities	5.39	-35.04	71.65	-32.39
Short-Term Provisions	-2.34	0.03	3.28	7.72
Inventories	-67.35	-213.97	3.05	-17.02
Trade receivables	-214.23	-269.57	-326.09	-94.57
Short-Term Loans and Advances	-14.39	15.38	-17.57	26.97
Net Increase/(Decrease) in Long Term Provisions	3.80	6.96	2.18	18.19
Other Current Assets	99.95	20.81	-204.38	-3.07
<b>Cash Generated from Operations</b>	<b>-39.77</b>	<b>-429.78</b>	<b>-411.74</b>	<b>-219.60</b>
Appropriation of Profit				
Net Income Tax paid/ refunded	117.08	136.42	133.35	114.98
<b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>	<b>291.62</b>	<b>343.69</b>	<b>82.29</b>	<b>76.92</b>
<b>Cash Flow from Investing Activities:</b>				
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	-153.77	-214.71	-86.81	-65.19
Interest Income	4.28	5.81	0.02	0.61
Net Increase/(Decrease) in long term loans and Advances	-0.20	-7.20	-2.81	-6.64
Net Increase/(Decrease) in Investment	-	-	-	-
<b>Net Cash Flow from/ (used in) Investing Activities: (B)</b>	<b>-149.69</b>	<b>-216.10</b>	<b>-89.60</b>	<b>-71.22</b>
<b>Cash Flow from Financing Activities:</b>				
Net Increase/(Decrease) in Long Term Borrowings	-4.25	-23.15	-3.31	-32.10
Net Increase/(Decrease) in Short Term Borrowings	-11.77	-39.55	44.70	39.57
Net Increase/(Decrease) in Minority Interest	0.17	-0.27	0.97	-
Interest on borrowings	-3.25	-6.82	-9.46	-7.68
Net Cash Flow from/ (used in) Financing Activities (C)	-19.10	<b>-69.79</b>	<b>32.89</b>	<b>-0.22</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	122.83	57.52	25.55	5.48
Cash & Cash Equivalents as At Beginning of the Year	100.31	42.24	16.63	11.15
Cash & Cash Equivalents as At End of the Year	223.15	<b>100.31</b>	<b>42.24</b>	<b>16.63</b>

## GENERAL INFORMATION

### Brief Summary:

Our Company was originally incorporated as a private limited Company under the name of “Deepak Chemtex Private Limited” on June 10, 1997 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai, bearing registration number as 211935. Thereafter, Our Company has shifted its registered office from Mumbai to Pune effective from May 01, 2022. Our Company was converted from private limited to public limited and the name of our Company was changed from “Deepak Chemtex Private Limited” to “Deepak Chemtex Limited” vide fresh certificate of incorporation dated September 04, 2023, issued by the Registrar of Companies, Pune, Maharashtra. The Corporate identification number of our Company is U24110PN1997PLC211935.

Neelima Deepak Arora, Renu Ajay Narula, Anand Kumar Chaubey and Saloni Vijay Narula were the initial subscribers to the Memorandum of Association of our Company.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 123 of this Red Herring Prospectus.

<b>CIN</b>	U24110PN1997PLC211935
<b>Registration No.</b>	211935
<b>Date of Incorporation</b>	June 10, 1997
<b>Registered Office</b>	<b>DEEPAK CHEMTEX LIMITED</b> Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri, Maharashtra – 415 722, India <b>Tel. No.:</b> +91 88706 82632 <b>Email:</b> <a href="mailto:info@deepakchemtex.in">info@deepakchemtex.in</a> <b>Website:</b> <a href="http://www.deepakchemtex.in">www.deepakchemtex.in</a>
<b>Designated Stock Exchange</b>	SME Platform of BSE “BSE SME”
<b>Address of the Registrar of Companies</b>	<b>Registrar of companies, Pune, Maharashtra</b> PCNTDA Green Building, BLOCK A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune–411044, Maharashtra. <b>Tel No:</b> 020-27651375 <b>Email id:</b> <a href="mailto:roc.pune@mca.gov.in">roc.pune@mca.gov.in</a> <b>Website:</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>

### Board of Directors:

The Board of Directors of our Company as on the date of filing of this Red Herring Prospectus consists of:

<b>Name of Director</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Saurbah Deepak Arora	Chairman & Managing Director	1101, Kedarnath Tower, Off. J P Road, Fisheries University Road, Opp. Badrinath Tower, 7 Bunglows, Andheri West, Mumbai – 400061, Maharashtra, India	00404150
Trishla Baid	Whole-Time Director & CFO	1101/1102, 11th Floor, Kedarnath CHSL, D P Road, Andheri West, Mumbai, Mumbai Suburban, Maharashtra – 400 061, India.	07063446
Rajesh Kalikaprasad Tiwari	Executive Director	CTS. 625, Waghare Heights Shivam Building, 3 <sup>rd</sup> Floor, Flat No. 203, Behind Nav Maharashtra School, Pimpri – Waghare, Pune City, Pune – 411 017, Maharashtra, India	07238431
Narendra Kumar Baid	Non-Executive Director	ONO 19 NNO 36, Haddows Road, Chennai, Tamil Nadu – 600 006, India	06414420
Gautam Lath	Independent Director	304, Harshad Heights, 150, Feet Road, Bhayander West, Opp. Maxus Mall, Thane, Bhayander West, Thane, Maharashtra – 401 101, India.	10198794
Pinki Kedia	Independent Director	A-501, Crescent Grande, Old Nagardas Road, Raj Chambers, Andheri East, Mumbai, Mumbai Suburban, Maharashtra – 400 069, India.	08455451

For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 128 of this Red Herring Prospectus.



<b>Chief Financial Officer</b>	<b>Company Secretary and Compliance Officer</b>
<b>Trishla Baid</b> <b>Deepak Chemtex Limited</b> <b>Address:</b> 1101/1102, 11th Floor, Kedarnath CHSL, D P Road, Andheri West, Mumbai, Mumbai Suburban, Maharashtra – 400 061, India <b>Tel. No.:</b> +91 88706 82632 <b>Email:</b> cfo@deepakchemtex.in	<b>Sonam Sharma</b> <b>Deepak Chemtex Limited</b> <b>Address:</b> 1101/1102, 11th Floor, Kedarnath CHSL, D P Road, Andheri West, Mumbai, Mumbai Suburban, Maharashtra – 400 061, India <b>Tel. No.:</b> +91 88706 82632 <b>Email:</b> cs@deepakchemtex.in

### **Investor Grievances:**

**Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders etc.**

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Retail Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries and for redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue related queries and for redressal of complaints, investors may also write to the BRLM.

### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Lead Manager of the Issue</b>	<b>Legal Advisor to the Issue</b>
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India <b>Tel No.:</b> +91-22-4906 0000 <b>Fax No.:</b> +91-22-22625991 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Roshni Lahoti <b>SEBI Reg. No.:</b> INM000010981	<b>Vedanta Law Chambers</b> <b>Address:</b> Ist Floor, SSK House, B-62, Sahakar Marg, LalKothi, Jaipur-302015 Rajasthan, India <b>Tel:</b> +91- 141 -2740911, 4014091 <b>Fax:</b> +91- 141 -2740911 <b>Website:</b> <a href="http://www.vedantalawchambers.com">www.vedantalawchambers.com</a> <b>Email:</b> <a href="mailto:vedantalawchambers@gmail.com">vedantalawchambers@gmail.com</a> <b>Contact Person:</b> Advocate Nivedita Ravindra Sarda
<b>Registrar to the Issue</b>	<b>Statutory Auditor</b>
<b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India. <b>Telephone:</b> +91 22 6263 8200 <b>Facsimile:</b> +91 22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b>	<b>A D V &amp; Associates,</b> <b>Chartered Accountants,</b> <b>Address:</b> B-601, Raylon Arcade, R K Mandir Road, Kondivita, Andheri (East), Mumbai- 400 059 <b>Phone:</b> +91-90290 59911 <b>Email:</b> <a href="mailto:advassociates@gmail.com">advassociates@gmail.com</a> <b>Firm Registration No.:</b> 128045W

<a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Contact Person:</b> Babu Rapheal C. <b>SEBI Registration Number:</b> INR000001385 <b>CIN:</b> U99999MH1994PTC076534	<b>Membership No:</b> 611401 <b>Peer Review Certificate Number:</b> 013993 <b>Contact Person:</b> Pratik Kabra
<b>Bankers to the Company</b>	<b>Bankers to the Issue/ Refund Banker/ Sponsor Bank*</b>
<b>Punjab National Bank</b> <b>Address:</b> No. 9, G-Floor, Ganga Griha, Nungambakkam High Road, Chennai- 600 034 <b>Tel:</b> 044-28279965 <b>Email:</b> bo2543@pnb.co.in <b>Contact Person:</b> Mrs. R. Kavitha <b>Designation:</b> Chief Manager	<b>Axis Bank Limited</b> <b>Address:</b> Dhiraj Baug, Near Hari Niwas Circle, LBS Marg, Thane West – 400 602. <b>Tel No:</b> 9004000236 <b>Email:</b> Thane.branchhead@axisbank.com <b>Website:</b> www.axisbank.com <b>Contact Person:</b> Leena Kendurkar <b>SEBI Reg No:</b> INBI00000017 <b>CIN:</b> L65110GJ1993PLC020769
<b>Syndicate Member*</b>	
<b>Hem Finlease Private Limited</b> <b>Address:</b> 203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India <b>Telephone:</b> 0141-4051000 <b>Email:</b> ib@hemsecurities.com <b>Website:</b> www.hemsecurities.com <b>Contact Person:</b> Ashok Soni <b>SEBI Registration Number:</b> INZ000167734	

*\*The Banker to the Issue (Sponsor Bank) and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the RoC.*

#### **Designated Intermediaries:**

#### **Self-Certified Syndicate Banks (SCSB's)**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs/ mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) in at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

#### **Syndicate SCSB Branches**

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

#### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

### **Collecting Depository Participants (CDP's)**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

### **Brokers to the Issue**

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

### **Expert Opinion**

Our Company has not obtained any expert opinions except we have received consent from the Peer review Auditors of the Company to include their name as an expert in this Red Herring Prospectus in relation to the (a) Independent Auditors' reports on the restated Audited financial statements; and (b) Statement of Tax Benefits (c) Statement of Financial Indebtedness and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

### **Appraisal and Monitoring Agency**

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹ 10,000 Lakh. Since the Issue size is below ₹ 10,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Credit Rating**

As this is an issue of Equity Shares, there is no credit rating for the Issue.

### **IPO Grading**

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

### **Debenture Trustees**

As this is an issue of Equity Shares, the appointment of Debenture trustees is not required.

### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus with the SEBI/ ROC**

The Red Herring Prospectus is being filed with BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India.

The Draft Red Herring Prospectus was not filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR)

Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at <http://www.mca.gov.in> and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <http://www.mca.gov.in>

### **Book Building Process**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi Edition of Regional newspaper Ratnagiri Times where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription,

if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled **“Issue Procedure”** beginning on page 224 of the Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled **“Issue Procedure”** on page 224 of this Red Herring Prospectus.

#### **Illustration of the Book Building and Price Discovery Process:**

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled **“Issue Procedure”** on page 224 of this Red Herring Prospectus.

#### **Bid/ Issue Program:**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Issue Opening Date	Wednesday, November 29, 2023
Bid/ Issue Closing Date	Friday, December 01, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	Wednesday, December 06, 2023
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	Thursday, December 07, 2023
Credit of Equity Shares to Demat accounts of Allottees	Friday, December 08, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	Monday, December 11, 2023

<sup>(1)</sup> *Our Company in consultation with the Book Running Lead Manager may 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 in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any

public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### Underwriting

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter Hem Securities Limited.

Pursuant to the terms of the Underwriting Agreement dated October 23, 2023 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
<b>Hem Securities Limited</b> <b>Address:</b> - 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> ib@hemsecurities.com <b>Investor Grievance Email:</b> redressal@hemsecurities.com <b>Website:</b> www.hemsecurities.com <b>Contact Person:</b> Rohit Sharma <b>SEBI Registration Number:</b> INM000010981	28,80,000	[●]	100%

*\*Includes upto 1,47,200 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

### Change in Statutory Auditors during the last three (3) years

There have been no changes in our Company's auditors in the last three (3) years.

### Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the filing of Red Herring Prospectus/ Prospectus with RoC.

#### **Details of the Market Making arrangement for this Issue**

Our Company and the BRLM has entered into Market Making Agreement dated October 23, 2023 and addendum thereon dated November 20, 2023 with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	Hem Finlease Private Limited
<b>Correspondence Address</b>	203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India
<b>Tel No.</b>	0141-4051000
<b>E-mail</b>	ib@hemsecurities.com
<b>Website</b>	www.hemsecurities.com
<b>Contact Person</b>	Ashok Soni
<b>SEBI Registration No.</b>	INZ000168034
<b>BSE Market Maker Registration No.</b>	SMEREG2020090906741

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

#### **Following is a summary of the key details pertaining to the Market making arrangement:**

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the BSE SME (SME platform of BSE) and SEBI from time to time.
- The minimum depth of the quote shall be ₹1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of BSE (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the BSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
- There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a 3 (three) months’ notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261(1) of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 A.M. to 5.00 P.M. on working days.
- **Risk containment measures and monitoring for Market Makers:** SME portal of BSE will have all margins, which are applicable on BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.



## CAPITAL STRUCTURE

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Red Herring Prospectus.

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,10,00,000 Equity Shares having Face Value of ₹ 10/- each	1,100.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 79,84,000 Equity Shares having Face Value of ₹10/- each	798.40	-
C	<b>Present Issue in terms of this Red Herring Prospectus</b> Upto 28,80,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share <sup>(1)(2)</sup>	288.00	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> 1,47,200 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	14.72	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of 27,32,800 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share to the Public	273.28	[●]
	<i>Of which:</i>		
	At least 9,56,800 Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to Retail Individual Investors	95.68	[●]
	At least 4,11,200 Equity Shares aggregating up to ₹[●] lakhs will be available for allocation to Non-Institutional Investors	41.12	[●]
	Not more than 13,64,800 Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds.	136.48	[●]
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue*</b>		
	1,08,64,000 Equity Shares of face value of ₹10/- each	1,086.40	
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Red Herring Prospectus)		Nil
	After the Issue		[●]

1. To be updated upon finalization of the Issue Price.

2. The Present Issue of upto 28,80,000 Equity Shares in terms of this Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 20, 2023 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on September 21, 2023.

### Classes of Shares:

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹ 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE:

#### 1. Changes in Authorized Equity Share Capital of our Company:

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital ( ₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation*	20,000	100/-	20.00	On Incorporation	N.A.
2.	Increase in Authorized Share Capital from ₹20.00 Lakhs to ₹50.00 Lakhs	50,000	100/-	50.00	July 30,1997	EGM

3.	Sub-division of Face value of Equity Shares of the Company from 50,000 Equity Shares of 100/- per Equity Share to 5,00,000 Equity shares of 10/- per Equity Share	5,00,000	10/-	50.00	June 10, 2023	EGM
4.	Increase in Authorized Share Capital from ₹50.00 Lakhs to ₹11.00 Crores	1,10,00,000	10/-	1,100.00	July 28, 2023	EGM

## 2. Equity Share Capital History of our Company:

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid-Up Capital (₹)
Upon Incorporation	40	100/-	100/-	Cash	Subscription to MOA <sup>(i)*</sup>	40	Nil	4,000
September 10, 1998	41000	100/-	100/-	Cash	Further Issue of Shares <sup>(ii)*</sup>	41,040	Nil	41,04,000
March 31, 2003	8860	100/-	400/-	Cash	Further Issue of Shares <sup>(iii)*</sup>	49,900	26,58,000	49,90,000
<i>Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from 100.00 per Equity Share to 10.00 per Equity Share. Therefore, 49,900 equity shares of our Company of face value of ₹ 100 each was sub-divided into 4,99,000 equity shares of face value of ₹10 each and after sub-division the paid-up share capital was as follows:</i>								
Post Sub-division	4,99,000	10/-	-	-	-	4,99,000	26,58,000	49,90,000
August 09, 2023	74,85,000	10/-	Nil	Nil	Bonus issue in the Ratio of 15:1 <sup>(iv)</sup>	79,84,000	Nil	7,98,40,000

All the above-mentioned shares are fully paid up since the date of allotment.

(i) Initial Subscribers to the Memorandum of Association subscribed 40 Equity Shares of Face Value of ₹ 100/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Neelima Deepak Arora	10
2.	Renu Ajay Narula	10
3.	Anandkumar Chaubey	10
4.	Saloni Vijay Narula	10
	<b>Total</b>	<b>40</b>

(ii) Allotment of 41,000 Equity Shares of Face Value of ₹ 10/- each on Further Issue basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Neelima Deepak Arora	35,000
2.	Saurabh Deepak Arora	6,000
	<b>Total</b>	<b>41,000</b>

(iii) Allotment of 8,860 Equity Shares of Face Value of ₹ 10/- each on Further Issue basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Neelima Deepak Arora	8,860
	<b>Total</b>	<b>8,860</b>

(iv) Bonus issue of 74,85,000 Equity Shares of Face Value of ₹ 10/-each in the ratio of 15:1 i.e. Fifteen (15) Bonus Equity Share for every One (1) Equity Shares held by shareholders. (refer point no. 3 below for allottee list).

b) As on the date of this Red Herring Prospectus, our Company does not have any Preference Share Capital.

### 3. Issue of Equity Shares for consideration other than cash

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
August 09, 2023	74,85,000	10.00	Nil	Bonus Issue in the ratio of 15:1	Capitalization of Reserves & Surplus*	Saurabh Deepak Arora	66,91,455
						Trishla Baid	7,48,500
						Ravi Jagetiya HUF	33,600
						Kailesh Jagetia HUF	11,400
						Chandan Baid	15
						Sidharth Baid	15
						Narendra Kumar Baid	15
						<b>TOTAL</b>	<b>74,85,000</b>

\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

### 4. Details of Allotment made in the last two years preceding the date of Red Herring Prospectus:

Except as mentioned in 3 above, we have not issued any Equity Share in the last two years preceding the date of Red Herring Prospectus.

- No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- Except for bonus issue made on August 09, 2023 our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Red Herring Prospectus.
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

### 9. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Red Herring Prospectus:

**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.	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Classes eg: 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	5	79,36,000	-	-	79,36,000	99.40	79,36,000	-	79,36,000	99.40	-	99.40	-	-	79,36,000		
(B)	Public	2	48,000	-	-	48,000	0.60	48,000	-	48,000	0.60	-	0.60	-	-	48,000		
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>7</b>	<b>79,84,000</b>	<b>-</b>	<b>-</b>	<b>79,84,000</b>	<b>100.00</b>	<b>79,84,000</b>	<b>-</b>	<b>79,84,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>79,84,000</b>		

The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Notes:**

1. As on date of this Red Herring Prospectus 1 Equity share holds 1 vote.
2. We have only one class of Equity Shares of face value of ₹ 10/- each.
3. We have entered into tripartite agreement with CDSL and NSDL.
4. 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.

**10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Issue paid up Share Capital
1.	Saurabh Deepak Arora	71,37,552	89.40
2.	Trishla Baid	7,98,400	10.00
	<b>Total</b>	<b>79,35,952</b>	<b>99.40</b>

\* the % has been calculated based on existing (pre-issue) Paid up Capital of the Company

b) Ten days prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre Issue paid up Share Capital
1.	Saurabh Deepak Arora	71,37,552	89.40
2.	Trishla Baid	7,98,400	10.00
	<b>Total</b>	<b>79,35,952</b>	<b>99.40</b>

\* the % has been calculated based on existing (pre-issue) Paid up Capital of the Company

c) One Year prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders*	Shares held (Face Value of ₹ 100 each)	% Pre Issue paid up Share Capital
1.	Saurabh Deepak Arora	44,910	90.00
2.	Trishla Baid	4,990	10.00
	<b>Total</b>	<b>49,900</b>	<b>100.00</b>

\*Details of shares held on November 18, 2022 and percentage held has been calculated based on the paid up capital of our Company as on November 18, 2022.

d) Two Years prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders*	Shares held (Face Value of ₹ 100 each)	% Pre Issue paid up Share Capital
1.	Saurabh Deepak Arora	44,910	90.00
2.	Trishla Baid	4,990	10.00
	<b>Total</b>	<b>49,900</b>	<b>100.00</b>

\*Details of shares held on November 18, 2021 and percentage held has been calculated based on the paid up capital of our Company as on November 18, 2021.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years from the date of filing of this Red Herring Prospectus.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the

listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

### 13. Capital Build-up in respect of Shareholding of our Promoters

As on the date of this Red Herring Prospectus, Our Promoters Saurabh Deepak Arora and Trishla Baid collectively holds 79,35,952 Equity Shares of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>Saurabh Deepak Arora</b>							
September 10, 1998	6,000	100	100	Cash	Further Issue of share	0.08	0.06
March 25, 2014	43,870	100	Nil	Nil	Acquisition by way of Transmission <sup>(a)</sup>	0.55	0.40
March 25, 2014	30	100	Nil	Nil	Acquisition by way of Gift <sup>(b)</sup>	0.00	0.00
March 25, 2014	(4,990)	100	Nil	Nil	Disposal of shares by way of Gift <sup>(c)</sup>	(0.06)	-0.05
<i>Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from Rs.100.00 per Equity Share to Rs.10.00 per Equity Share.</i>							
Post Sub Division	4,49,100	10	-	-	-	5.63	4.13
August 02, 2023.	(3,003)	10	670	Cash	Disposal of shares by way of Transfer of Shares <sup>(d)</sup>	(0.04)	-0.03
August 09, 2023	66,91,455	10	Nil	Nil	Issue of Bonus Shares in ratio of 15:1	83.81	61.59
<b>Total (A)</b>	<b>71,37,552</b>	10				<b>89.40</b>	65.70
<b>Trishla Baid</b>							
March 25, 2014	4,990	100	100	Cash	Acquisition by way of Gift <sup>(e)</sup>	0.06	0.05
<i>Pursuant to Shareholders' resolution dated June 10, 2023 the face value of Equity Shares of our Company was subdivided from Rs.100.00 per Equity Share to Rs.10.00 per Equity Share.</i>							
Post Sub Division	49,900	10	-	-	-	0.62	0.46
August 09, 2023	7,48,500	10	Nil	Nil	Issue of Bonus Shares in ratio of 15:1	9.38	6.89
<b>Total (B)</b>	<b>7,98,400</b>					<b>10.00</b>	7.35
<b>Grand Total</b>	<b>79,35,952</b>					<b>99.40</b>	73.05

Note: None of the Shares has been pledged by our Promoters.

(a) Details of Acquisition by Saurabh Deepak Arora by way of Transmission of 43,870 equity Shares dated March 25, 2014

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 25, 2014	Neelima Deepak Arora	43,870	Saurabh Deepak Arora
		<b>Total</b>	<b>43,870</b>	

(b) Details of Acquisition by Saurabh Deepak Arora by way of gift of 30 equity Shares dated March 25, 2014.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 25, 2014	Renu Ajay Narula	10	Saurabh Deepak Arora
2.	March 25, 2014	Anandkumar Chaubey	10	Saurabh Deepak Arora
3.	March 25, 2014	Saloni Vijay Narula	10	Saurabh Deepak Arora
		<b>Total</b>	<b>30</b>	

(c) Details of Disposal of shares by Saurabh Deepak Arora by way of gift of 4,990 equity shares dated March 25, 2014.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer	Name of Transferor
1.	March 25, 2014	Trishla Baid	4,990	Saurabh Deepak Arora
		<b>Total</b>	<b>4,990</b>	

(d) Details of Disposal of shares by Saurabh Deepak Arora by way of Transfer of 3 003 equity shares dated August 02, 2023.

Sr. No.	Date of Transfer	Name of Transferee	No. of Share Transfer	Name of Transferor
1.	August 02, 2023	Ravi Jagetiya HUF	2240	Saurabh Deepak Arora
2.	August 02, 2023	Kailesh Jagetia HUF	760	Saurabh Deepak Arora
3.	August 02, 2023	Chandan Baid	1	Saurabh Deepak Arora
4.	August 02, 2023	Sidharth Baid	1	Saurabh Deepak Arora
5.	August 02, 2023	Narendra Kumar Baid	1	Saurabh Deepak Arora
		<b>Total</b>	<b>3,003</b>	

(e) Details of Acquisition by Trishla Baid by way of Transfer of 4,990 equity shares.

Sr. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	March 25, 2014	Saurabh Deepak Arora	4,990	Trishla Baid
		<b>Total</b>	<b>4,990</b>	

14. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Saurabh Deepak Arora	71,37,552	Nil
2.	Trishla Baid	7,98,400	

15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoters and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
1.	Saurabh Deepak Arora	71,37,552	89.40	71,37,552	65.70
2.	Trishla Baid	7,98,400	10.00	7,98,400	7.35
	<b>Sub Total (A)</b>	<b>79,35,952</b>	<b>99.40</b>	<b>79,35,952</b>	<b>73.05</b>
	<b>Promoter Group (B)</b>				
4.	Chandan Baid	16	0.00	16	0.00
5.	Sidharth Baid	16	0.00	16	0.00
6.	Narendra Kumar Baid	16	0.00	16	0.00
	<b>Sub Total (B)</b>	<b>48</b>	<b>0.00</b>	<b>48</b>	<b>0.00</b>
	<b>Total (A) + (B)</b>	<b>79,36,000</b>	<b>99.40</b>	<b>79,36,000</b>	<b>73.05</b>

16. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Red Herring Prospectus.

Date of Allotment/ Transfer	Name of Shareholder	No. of Equity Share	% of Pre issue Capital	Allotment/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director)
August 02, 2023	Saurabh Deepak Arora	(3,003)	(0.04)	Disposal of shares by way transfer of Shares	Promoter/Director
August 09, 2023	Saurabh Deepak Arora	66,91,455	83.81	Acquire by way of Bonus issue in the ratio of 15:1	Promoter/Director
August 09, 2023	Trishla Baid	7,48,500	9.38		Promoter/Director
August 09, 2023	Chandan Baid	15	Negligible		Promoter group
August 09, 2023	Sidharth Baid	15	Negligible		Promoter group
August 09, 2023	Narendra Kumar Baid	15	Negligible		Promoter group
August 02, 2023	Chandan Baid	1	Negligible	Transfer of shares	Promoter group
August 02, 2023	Sidharth Baid	1	Negligible		Promoter group
August 02, 2023	Narendra Kumar Baid	1	Negligible		Promoter group

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Red Herring Prospectus.

#### 18. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Red Herring Prospectus, our Promoters hold 79,35,952 Equity Shares constituting 73.05% of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter, Saurabh Deepak Arora has given written consent to include 22,00,000 Equity Shares held by him and subscribed by him as part of Promoters Contribution constituting 20.25% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
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<b>Up</b>						
<b>Saurabh Deepak Arora</b>						
August 09, 2023	22,00,000	10	Nil	Bonus Issue	20.25	3 years
<b>Total</b>	<b>22,00,000</b>				20.25	

\*Assuming full subscription to the Issue.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as **"Promoter"** under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoter's Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters and Promoter Group, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

#### **Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018**

<b>Reg. No.</b>	<b>Promoters' Minimum Contribution Conditions</b>	<b>Eligibility Status of Equity Shares forming part of Promoter's Contribution</b>
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

#### **Details of Promoters' Contribution Locked-in for One Year**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 57,84,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

**Other requirements in respect of lock-in:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity Shares.
21. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.
22. As on the date of this Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
23. We have 7 (Seven) shareholders as on the date of filing of this Red Herring Prospectus.
24. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.

28. An over-subscription to the extent of 1% of the Issue, can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public issue.
34. As per RBI regulations, OCBs are not allowed to participate in this issue.
35. Our Promoters and Promoter Group will not participate in this Issue.
36. This Issue is being made through Book Building Method.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
39. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## OBJECTS OF THE ISSUE

The issue comprises of a fresh Issue of up to 28,80,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Funding capital expenditure towards installation of plant & machinery in our existing premises.
2. Investment in our subsidiary DCPL Speciality Chemicals Private Limited for financing its capital expenditure towards installation of plant and machinery.
3. Funding to meet working capital requirements
4. General Corporate Purpose.

*(Collectively referred as the “Objects”)*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the BSE SME (SME Platform of BSE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

We are primarily engaged in the business of manufacturing of colorants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries. Colorants are formulations of chemical intermediates, pigments or dyes and additives used to add colour to various consumables. We commenced our business in 1997 and have over the years evolved into manufacturing of a complete range of FD&C (Food, Drug and Cosmetic) colours used in the confectionary, bakery, desserts, beverages, dairy products, seasonings, pet foods, pharmaceutical products, cosmetics & personal care products. We also manufacture salt free dyes used in inkjet industry, pond dyes used in ponds, lakes, swimming pools etc and other colorants used in car wash products, portable sanitation cleaners, detergent & soap, fuel, oil & lubricants, smoke, seed treatment, crop protection, fertilizer indicators, floral dyes etc.

### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amt (Rs. in Lacs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
Net Proceeds	[●]

### 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.	Funding capital expenditure towards installation of plant & machinery in our existing premises.	54.50
2.	Investment in our subsidiary DCPL Speciality Chemicals Private Limited for financing its capital expenditure towards installation of plant and machinery.	269.84
3.	Funding to meet working capital requirements	1250.00
4.	General Corporate Purpose.	[●]
	<b>Total</b>	[●]

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

### Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amt (Rs. in Lacs)
Net Issue Proceeds	[●]

<b>Total</b>	[●]
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*Since, the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

Subject to applicable law, if the actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. The Objects may be varied in the manner provided in *“Objects of the Issue – Variation in Objects”* on page 70

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company’s management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled *“Risk Factors”* beginning on page 25 of the Red Herring Prospectus.

#### **Details of Utilization of Net Proceeds**

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

##### **1. Funding capital expenditure towards installation of plant & machinery in our existing premises.**

Our Company proposes to utilize Rs 54.50 lakhs for capital expenditure towards installation of plant & machinery in our existing premises at Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri 415722, Maharashtra, India to expand our operations.

Set out below is a break-up of the estimated cost.

Sr. No.	Capital Expenditure	Description	Amount in lakhs	Vendor
1.	Purchase of Centrifuge Machine	The Ace Manual Top Discharge Centrifuge (48” x 20” MSRL MTD Centrifuge) - Industrial machine used for separating solid-liquid mixtures based on centrifugal force.	42.00	Quotation received from ACE Industries (India) Pvt. Ltd. dated September 26, 2023
2.	Purchase of Diesel Generator	Mahindra ‘Powerol’ Diesel Generator Model: mPower41265GC 3 phase MCP (Manual Control Panel) GAS GENERATOR (CNG/PNG)	12.50	Quotation received from Sawant Mechanical Works dated August 31, 2023
<b>Total</b>			<b>54.50</b>	

*\* Above estimates are exclusive of GST*

Notes:

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there

can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.

- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- We are not acquiring any second-hand machinery.
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation would be met out of our internal accruals.

## 2. Investment in our subsidiary DCPL Speciality Chemicals Private Limited for financing its capital expenditure towards installation of Plant and Machinery.

As a part of our strategy we intend to expand our operations, through our subsidiary DCPL Speciality Chemicals Private Limited. DCPL specialty chemicals Pvt Ltd incorporated in July 13, 2021 with the object to carry on the business of Manufacturing and exports of Dyestuffs and Chemicals. Further, a leasehold land in MIDC, Lote Parshuram Industrial Area, Khed, Maharashtra was purchased in the subsidiary company for further expansion. Therefore, the company intends to install new plant and machinery in DCPL specialty chemicals Pvt Ltd. We therefore intend to utilize a part of the Net Proceeds amounting to Rs. 269.84 lakhs towards installation of plant and machinery in our subsidiary DCPL Speciality Chemicals Private Limited. The infusion of funds by our Company in DCPL Speciality Chemicals Private Limited is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be decided by our Company. The actual mode of such deployment has not been finalized as on the date of this Red Herring Prospectus. This will result in increase in the increase in internal accruals in DCPL Speciality Chemicals Private Limited and therefore the value of our investment in our subsidiary.

Set out below is a break-up of the estimated cost.

Sr. No.	Capital Expenditure	Description	Amount in lakhs	Vendor
1.	Purchase of RO System	Ro System For 8” Dia X 40” Long-8 Membrane Plant Without Membranes	24.32	Quotation received from JBH Enterprise dated September 27, 2023
2.	Purchase of Centrifuge Machine	The Ace Manual Top Discharge Centrifuge (36” SS 316L MTD Centrifuge) - Industrial machine used for separating solid-liquid mixtures based on centrifugal force.	31.50	Quotation received from ACE Industries (India) Pvt.Ltd. dated September 26, 2023
3.	Purchase of Machinery	GLRV AERISTB - 3KL (With Stuffing Box)	73.36	Quotation received from GMM Pfaudler Limited dated September 27, 2023
4.	Purchase of Machinery	GLRV AERRISTB - 6.3KL(With Stuffing Box)	140.66	Quotation received from GMM Pfaudler Limited dated September 27, 2023
	<b>Total</b>		<b>269.84</b>	

\* Above estimates are exclusive of GST

Notes:

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the

time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

- We are not acquiring any second-hand machinery.
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation would be met out of our internal accruals.

### 3. Funding to meet working capital requirements

With the expansion of the business company will be in the need of additional working capital requirements. We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and releasing the internal accruals deployed in working capital.

Our Company proposes to utilize ₹ 625.00 lakhs of the Net Proceeds in Fiscal 2024 and ₹ 625.00 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. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

*Details of Estimation of Working Capital requirement are as follows:*

*(Rs. In Lakhs)*

S. No.	Particulars	Restated Standalone Financial Information			Estimated	
		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
<b>I</b>	<b>Current Assets</b>					
	Inventories	218.46	215.41	429.38	563.30	614.65
	Trade receivables	518.13	844.22	1,113.79	1,324.32	1,522.96
	Short term loans and Advances	29.12	46.68	31.30	111.30	327.38
	Other Current Assets	43.81	248.19	226.95	276.95	476.95
	<b>Total (A)</b>	<b>809.52</b>	<b>1354.5</b>	<b>1801.42</b>	<b>2275.86</b>	<b>2941.94</b>
<b>II</b>	<b>Current Liabilities</b>					
	Trade payables	324.37	380.50	426.12	251.89	267.91
	Other Current Liabilities	80.31	151.65	108.75	128.75	138.75
	Short Term Provisions	7.72	23.52	104.81	110.05	111.16
	<b>Total (B)</b>	<b>412.40</b>	<b>555.67</b>	<b>639.68</b>	<b>490.69</b>	<b>517.81</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>397.12</b>	<b>798.83</b>	<b>1161.74</b>	<b>1785.17</b>	<b>2424.13</b>
<b>IV</b>	<b>Funding Pattern</b>					
	Short Term borrowings & Internal accrual	<b>397.12</b>	<b>798.83</b>	<b>1161.74</b>	<b>1160.17</b>	<b>1799.13</b>
	<b>IPO Proceeds</b>				<b>625.00</b>	<b>625.00</b>

*\* Short-term loans and advances include Advances to suppliers and Advances to Employees and other current assets includes GST (ITC Balance) and Income tax refund receivable.*

#### 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 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	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2024
		Audited	Audited	Audited	Estimated	Estimated

Debtors	Days	58	46	77	90	90
Creditors	Days	96	39	55	30	30
Inventories	Days	42	21	41	70	70

**Justification:**

Sr. No.	Particulars
<b>Debtors</b>	The historical holding days of trade receivables has been ranging from 46 days to 77 days during Fiscal 2021 to Fiscal 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 90 days of total revenue from operations during Fiscal 24 and Fiscal 25. The projected increase in trade receivables days is a strategic decision aimed at fostering higher sales growth. Our company plans to adopt business strategies like: installation of new plant and machinery at our existing premises which will enhance our production capacity, focus on expanding our product portfolio and would adopt marketing strategies to expand our sales and distribution network in international markets. We expect to increase sales by adopting these strategies which will also require us to provide our customers with extended credit periods, allowing them more time to settle their invoices. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships.
<b>Creditors</b>	Past trend of Trade payables holding days has been in the range of 39 days to 96 days approximately during Fiscal 2021 to Fiscal 2023. However, with additional working capital funding, our Company intends to reduce trade payable to 30 days during Fiscal 2024 and Fiscal 2025 to avail cash discount as well as competitive purchase price to increase overall profitability of our Company. By reducing the time, it takes to settle our payables we aim to negotiate more favourable terms and conditions with our suppliers, enabling us to access competitive pricing for the goods we procure.
<b>Inventories</b>	Inventories include raw materials and finished goods. The historical holding days of inventories has been in range of 21 days to 41 days during Fiscal 2021 to Fiscal 2023. With the perspective to increase business operations, the Company estimates inventories holding days to be around 70 days in Fiscal 24 and Fiscal 25
<b>Short term loans and Advances</b>	Short term loans and Advances includes, advances to suppliers and advance to employee. We expect Short term loans and Advances to increase due to increase in business volume, which may require increased advances to be paid to suppliers to ensure uninterrupted supply chain and cost effectiveness.
<b>Other Current Assets</b>	Other current assets includes GST (ITC Balance), Income Tax Refund Receivable, Prepaid Expenses, Preliminary Expenses which shall increase pursuant to increase in the volume of business and product portfolio.

#### **4. General Corporate Purpose**

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, to drive our business growth, including, amongst other things, (i) funding growth opportunities, including strategic initiatives; (ii) meeting any expenses incurred in the ordinary course of business by the Company; (iii) servicing of borrowings including payment of interest; (iv) brand building and other marketing expenses; (v) meeting of exigencies which our Company may face in the course of any business; and (vi) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of Rs. [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

#### **Issue Expenses**

The total estimated Issue Expenses are Rs. [●], which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:



Activity	(Rs. in Lakh) *	As a % of Estimates Issue Expenses	As a % of Issue Size
Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

Issue expenses will be finalized on determination of Issue Price and incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change.

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount allotted is the product of the number of Equity Shares Allotted and the Issue Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE

(3) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	Rs. 10per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	Rs. 10per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed 1 Lakh (plus applicable taxes) and in case if the total processing fees exceeds 1 Lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

(4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	Rs. 10 per valid application (plus applicable taxes)
Sponsor Bank – Axis Bank Limited	Rs. 6per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

(5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	0.10% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10% of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: Rs. 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Bidders*	Rs. 10 per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	Rs. 10 per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed Rs. 1 Lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds Rs. 1 Lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: Rs. 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

#### **Proposed Schedule of Implementation:**

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

S. No.	Particulars	(Rs. In Lacs)	
		Amount to be deployed and utilized in	
		F.Y. 2023-24	F.Y. 2024-25
1.	Funding capital expenditure towards Purchase and installation of Machinery in the existing premises	54.50	-
2.	Investment in our Subsidiary (DCPL) Speciality Chemicals Private Limited for financing its capital expenditure towards installation of Plant and Machinery.	269.84	-
3.	Funding to meet working capital requirements	625.00	625.00
4.	General Corporate Purpose.	[●]	[●]
5.	Issue Expenses	[●]	[●]

<b>Total</b>	[●]	[●]
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### **Appraisal**

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of the Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

### **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

### **Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

## **BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 25, 103 and 147 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

### **QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry:

- a) Wide range of products with ability to customize
- b) Long standing relationships with diversified customers across geographies
- c) In-house manufacturing facility with equipped machines and processes
- d) Focus on Quality, Environment, Health and Safety
- e) Stable and consistent financial performance
- f) Experienced Promoters and Senior Management with extensive domain knowledge

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 103 of this Red Herring Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 147 of this Red Herring Prospectus.

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

#### **1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):**

As per the Restated Financial Statements:

Sr. No.	F.Y./Period	Basic & Diluted (₹)	Weights
1	Financial Year ending March 31, 2023	7.89	3
2	Financial Year ending March 31, 2022	5.30	2
3	Financial Year ending March 31, 2021	3.30	1
	<b>Weighted Average</b>	<b>6.26</b>	<b>6</b>
4	Period ending September 30, 2023	3.90	

#### **Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

#### **2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
-------------	--------------------------------	------------------------------

P/E ratio based on the Basic & Diluted EPS, as restated for Financial Year 2022-23	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	(P/E) Ratio
Highest (Vipul Organics Limited)	90.30
Lowest (Kiri Industries Limited)	13.00
<b>Industry Average</b>	<b>51.65</b>

\* For the purpose of industry, we have considered those companies which are engaged in the similar line of business segment as of our Company, however, they may not be exactly comparable in terms of product portfolio or the size of our Company. The peers have been included for the purpose of broad comparison.

**Note:**

- i) P/E Ratio of the peer company is based on the Annual Reports for the F.Y. 2022-23 and stock exchange data dated November 17, 2023.

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW (%)	Weights
1.	Period ending March 31, 2023	40.17	3
2.	Period ending March 31, 2022	45.09	2
3.	Period ending March 31, 2021	51.01	1
	<b>Weighted Average</b>	<b>43.61</b>	<b>6</b>
4.	Period ending September 30, 2023	16.55	

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.  
ii. The RoNW has been computed by dividing restated net profit after tax with restated Net worth as at the end of the year/period  
iii. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

**4. Net Asset Value (NAV) per Equity Share:**

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2021	6.47
2.	As at March 31, 2022	11.75
3.	As at March 31, 2023	19.65
4.	As at September 30, 2023	23.55
5.	NAV per Equity Share at the Floor Price	[●]
6.	NAV per Equity Share at the Cap Price	[●]
7.	Issue Price	[●]

\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective year/period.

**Notes: -**

1. NAV per share = Restated Net worth at the end of the year/weighted average number of equity shares outstanding at the end of the year/ period.  
2. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares.  
3. Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

**5. Comparison of Accounting Ratios with Industry Peers**

(₹ in lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RoNW (%)	Book Value (₹)	Total Income (₹ In lakhs)
			Basic	Diluted				
Deepak Chemtex Limited	[●]	10	7.89	7.89	[●]	40.17	19.65	4,783.72
<b>Peer Group</b>								

Vidhi Specialty Food Ingredients Limited	427.50	1	7.55	7.55	56.62	15.04%	50.13	40,520.28
Vipul Organics Limited	132.75	10	1.47	1.47	90.31	3.53%	516.90	13,399.73
Kiri Industries Limited	268.70	10	20.67	20.67	13.00	3.98%	41.38	94,840.14

**Notes:**

- (i) Source – All the financial information for listed industry peers mentioned above is sourced from the Annual Reports of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated November 17, 2023 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.
- (ii) The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2022-23
- (iii) NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2023.
- (iv) RoNW has been computed as net profit after tax divided by closing net worth.
- (v) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vi) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

## 6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated November 08, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by A D V & Associates, Chartered Accountants, by their certificate dated November 08, 2023

The KPIs of our Company have been disclosed in the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 103 and 182, respectively. We have described and defined the KPIs as applicable in “Definitions and Abbreviations” on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2174.40	4,670.29	5,410.87	2,955.66
EBITDA <sup>(2)</sup>	411.38	799.32	592.98	411.84
EBITDA Margin <sup>(3)</sup>	18.92%	17.11%	10.96%	13.93%
PAT <sup>(4)</sup>	311.18	630.20	423.10	263.47
PAT Margin <sup>(5)</sup>	14.31%	13.49%	7.82%	8.91%
RoE(%) <sup>(6)</sup>	18.05%	50.27%	58.16%	67.22%
RoCE (%) <sup>(7)</sup>	20.64%	49.65%	50.22%	55.09%

**Notes:**

<sup>(1)</sup>Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - other Income

<sup>(3)</sup>‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> ‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus total borrowings {current & non-current}.

Explanation for KPI metrics:

<b>KPI</b>	<b>Explanations</b>
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

7. Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Deepak Chemtex Limited				Vipul Organics Limited			
	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2174.40	4,670.29	5,410.87	2,955.66	7,266.81	13,393.25	13,319.69	11,869.98
EBITDA <sup>(2)</sup>	411.38	799.32	592.98	411.84	548.67	1,144.43	1,593.01	1,636.93
EBITDA Margin (%) <sup>(3)</sup>	18.92%	17.11%	10.96%	13.93%	7.55%	8.54%	11.96%	13.79%
PAT <sup>(4)</sup>	311.18	631.02ss	423.10	263.47	144.82	187.20	696.83	685.25
PAT Margin (%) <sup>(5)</sup>	14.31%	13.51%	7.82%	8.91%	1.99%	1.40%	5.23%	5.77%
RoE (%) <sup>(6)</sup>	18.05%	50.32%	58.16%	67.22%	2.65%	3.55%	15.02%	18.82%
RoCE (%) <sup>(7)</sup>	20.64%	49.63%	50.22%	55.09%	4.56%	4.23%	9.11%	10.27%

Key Financial Performance	Deepak Chemtex Limited				Kiri Industries Limited				Vidhi Specialty Food Ingredients Limited			
	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2174.40	4,670.29	5,410.87	2,955.66	45,785.36	94,506.58	1,49,691.38	95,702.86	15,981.44	40,399.29	53,705.46	26,641.15
EBITDA <sup>(2)</sup>	411.38	799.32	592.98	411.84	6,885.57	17,351.75	45,649.26	31,279.34	2,671.40	5,416.02	8,328.81	5,164.65
EBITDA Margin (%) <sup>(3)</sup>	18.92%	17.11%	10.96%	13.93%	15.04%	18.36%	30.50%	32.68%	16.72%	13.41%	15.51%	19.39%
PAT <sup>(4)</sup>	311.18	631.02	423.10	263.47	1,625.17	10,664.48	38,877.34	25,247.52	1,737.61	3,770.00	5,856.78	3,655.91
PAT Margin (%) <sup>(5)</sup>	14.31%	13.51%	7.82%	8.91%	3.55%	11.28%	25.97%	26.38%	10.87%	9.33%	10.91%	13.72%
RoE (%) <sup>(6)</sup>	18.05%	50.32%	58.16%	67.22%	0.60%	4.06%	16.35%	12.26%	6.53%	16.12%	30.96%	25.21%
RoCE (%) <sup>(7)</sup>	20.64%	49.63%	50.22%	55.09%	1.58%	4.01%	13.32%	10.03%	8.92%	15.70%	23.23%	22.38%



Notes:

- <sup>(1)</sup>Revenue from operation means revenue from sales, service and other operating revenues
- <sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- <sup>(3)</sup>'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- <sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses
- <sup>(5)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- <sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- <sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

## 8. Weighted average cost of acquisition

- a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There has been no issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on February 20, 2023, during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

- b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this certificate irrespective of the size of transactions, is as below:

### **Primary Transaction:**

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus:

Date of Allotment	No. of equity shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
August 09, 2023	74,85,000	Nil	Bonus Issue	Other than Cash	Nil

*Note: The Company issued and allotted bonus shares on August 09, 2023 in the ratio of 15:1, i.e 15 Equity Shares for every 1 Equity Share held.*

### **Secondary Transactions:**

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus:

Date of transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share	Nature of transaction	Total Consideration (in ₹ lakhs)
August 02, 2023	Saurabh Deepak Arora	Ravi Jagetiya HUF	2240	670	Transfer of Shares	15,00,800
		Kailesh Jagetia HUF	760	670	Transfer of Shares	5,09,200
		Chandan Baid	1	670	Transfer of Shares	670
		Sidharth Baid	1	670	Transfer of Shares	670
		Narendra Kumar Baid	1	670	Transfer of Shares	670

- The Weighted average cost of acquisition compared to floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ **)	Cap price* (i.e. ₹ **)
WACA of primary issuance (exceeding 5% of the pre issue capital)	NA^	NA^	NA^
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA^^	NA^^	NA^^
WACA of past 5 primary issuances / secondary in last 3 years	0.27	Not defined	Not defined

Note:

^There were no primary / new issue of shares in last 18 months from the date of the Red Herring Prospectus.

^^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus

\*\* Post adjustment of bonus shares.

**This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi edition of Regional newspaper Ratnagiri Times where the registered office of the company is situated each with wide circulation.**

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” on pages 103, 25 and 147 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” or any other factors that may arise in the future and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors**

**DEEPAK CHEMTEX LIMITED**

Aawashi, 28/1A, A/P Adgul Aawashi, Lote

Ratnagiri, Maharashtra 415722

Dear Sirs,

**Sub: Statement of Tax Benefits ('The Statement') available to Deepak Chemtex Limited ("The Company") and its shareholders under the Direct and Indirect Tax Laws in India**

We hereby report that the enclosed annexure prepared by the management of **DEEPAK CHEMTEX LIMITED**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that; this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of Equity shares ("the Issue") by the Company.

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

- a) The Company or its shareholders will continue to obtain these benefits in future; or
- b) The conditions prescribed for availing the benefits have been/would be met.

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For A D V & Associates**

**Chartered Accountants**

**FRN: 128045W**

**SD/-**

**Pratik Kabra**

**Partner**

**M. No.: 611401**

**UDIN: 23611401BGUONO5507**

**Place: Mumbai**

**Date: 08<sup>th</sup> November, 2023**

## **ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS**

*The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

### **A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY**

The Company is not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

### **B. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE SHAREHOLDERS**

The Shareholders of the Company are not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act.

### **Notes:**

1. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
2. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

#### **GLOBAL ECONOMY**

After growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger than expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored.

Global growth could be weaker than anticipated in the event of more widespread banking sector stress, or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Weak growth prospects and heightened risks in the near term compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of global financial conditions. This difficult context highlights a multitude of policy challenges. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change, and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

#### ***Regional prospects***

Growth is projected to diverge across EMDE regions this year and next. It is expected to pick up in 2023 in East Asia and Pacific (EAP) and Europe and Central Asia (ECA), as China's reopening spurs a recovery and as growth prospects in several large economies improve. In contrast, growth is forecast to moderate in all other regions, particularly in Latin America and the Caribbean (LAC) and the Middle East and North Africa (MNA). Headwinds from weak external demand, tight global financial conditions, and high inflation will drag on activity this year, especially in LAC, South Asia (SAR), and Sub-Saharan Africa (SSA). The lingering impact of Russia's invasion of Ukraine will continue to weigh on growth across regions, particularly in ECA. Next year, growth is projected to moderate in EAP and SAR but to pick up elsewhere as domestic headwinds ease and external demand strengthens. Downside risks to the outlook for all regions include possible further global financial stress and more persistent domestic inflation than projected in the baseline. Geopolitical tensions, conflict and social unrest, and natural disasters stemming from climate change also present downside risks, to varying degrees. The materialization of such risks could further weaken potential growth, leading to a prolonged period of slower growth in all EMDE regions.

#### ***Financial Spillovers of Rising U.S. Interest Rates***

The rapid rise in interest rates in the United States poses a significant challenge to EMDEs. As the Federal Reserve has pivoted toward a more hawkish stance to rein in inflation, a substantial part of the sharp increases in U.S. interest rates since early 2022 has been driven by shocks that capture changes in perceptions of the Fed's reaction function. These reaction shocks are associated with especially adverse financial market effects in EMDEs, including a higher likelihood of experiencing a financial crisis. Their effects also appear to be more pronounced in EMDEs with greater economic vulnerabilities. These findings suggest that major central banks can alleviate adverse spillovers through proper communication that clarifies their reaction functions. They also highlight that EMDEs need to adjust macroeconomic and financial policies to mitigate the negative impact of rising global and U.S. interest rates.

#### ***Global outlook***

The global economy remains in a precarious state amid the protracted effects of the overlapping negative shocks of the pandemic, the Russian Federation's invasion of Ukraine, and the sharp tightening of monetary policy to contain high inflation.

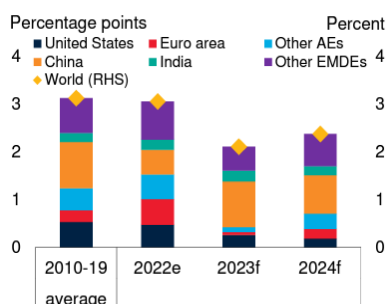
The resilience that global economic activity exhibited earlier this year is expected to fade. Growth in several major economies was stronger than envisaged at the beginning of the year, with faster-than-expected economic reopening in China and resilient consumption in the United States. Nonetheless, for 2023 as a whole, global activity is projected to slow, with a pronounced deceleration in advanced economies and a sizable pickup in China (figure A). Inflation pressures persist, and the drag on growth from the ongoing monetary tightening to restore price stability is expected to peak in 2023 in many major economies. Recent banking sector stress will further tighten credit conditions. This will result in a substantial growth deceleration in the second half of this year. This slowdown will compound a period of already-subdued growth—over the first half of the 2020s (2020-2024), growth in EMDEs is expected to average just 3.4 percent, one of the weakest half-decades of the past 30 years (figure B). This slowdown reflects both cyclical dynamics and the current trend of declining global potential output growth (figure C).

Global financial conditions have tightened as a result of policy rate hikes and, to a lesser extent, recent bouts of financial instability. Many banks experienced substantial unrealized losses due to the sharp rise in policy interest rates. Concerns about the viability of balance sheets of some banks led to depositor flight and market volatility in the United States and Europe earlier in the year, which were stemmed by a swift and extensive policy response. Financial markets remain highly sensitive to evolving expectations about the future path of interest rates of major central banks. Spillovers from banking turmoil in advanced economies to EMDEs have so far been limited. However, countries with more pronounced macroeconomic policy vulnerabilities, as reflected by lower credit ratings, have experienced slower growth and greater financial stress, including large currency depreciations and a sharp widening of sovereign spreads. Projections for 2023 growth in these economies have fallen by more than half over the past year (figure D).

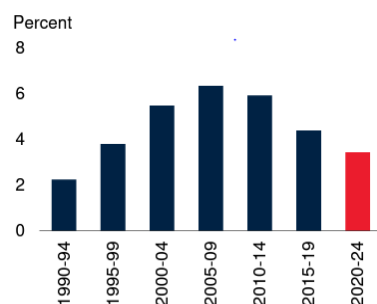
Inflation pressures persist. Although global headline inflation has been decelerating as a result of base effects, abating supply chain pressures, and falling commodity prices, core inflation in many countries remains elevated, and inflation is above target in almost all inflation-targeting economies. Inflation is expected to continue to be above its pre-pandemic level beyond 2024 (figure E). That said, inflation expectations in most inflation targeting countries have so far not undergone a major shift and appear to remain anchored.

In all, global growth is forecast to slow from 3.1 percent in 2022 to 2.1 percent in 2023, before edging up to 2.4 percent in 2024. Relative to the January projections, this is 0.4 percentage point stronger in 2023 and 0.3 percentage point weaker in 2024. Greater-than-expected resilience of major economies at the end of 2022 and early in 2023 led to the overall upgrade to growth in 2023. Growth in advanced economies is set to decelerate substantially for 2023 as a whole, to 0.7 percent, and to remain feeble in 2024, due to monetary tightening, less favorable credit conditions, softening labor markets, and still-high energy prices. In EMDEs, aggregate growth is projected to edge up to 4 percent in 2023, almost entirely due to a rebound in China following the removal of strict pandemic-related mobility restrictions. Excluding China, growth in EMDEs is set to slow substantially to 2.9 percent this year. This projection is predicated on the assumption of a protracted period of tight global monetary policy, fiscal consolidation in most EMDEs, and weak external demand. The slowdown is expected to be even more severe for EMDEs with elevated fiscal vulnerabilities and external financing needs. Persistent weak growth means that, excluding China, EMDEs are expected to continue making next to no progress at closing the differential in per capita incomes relative to advanced economies (figure F). By 2024, economic activity in EMDEs will still be about 5 percent below levels projected on the eve of the pandemic.

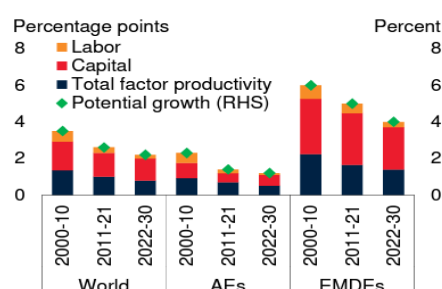
**A. Contributions to global growth**



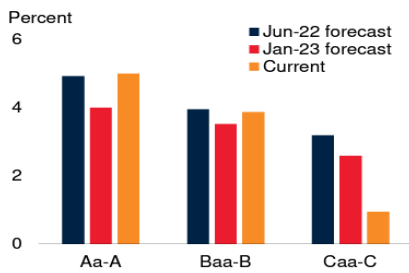
**B. Growth in EMDEs**



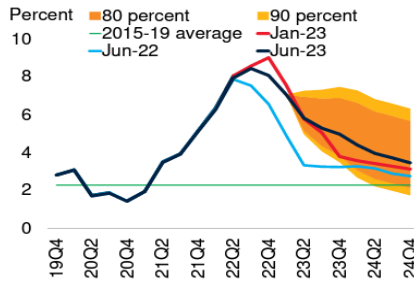
**C. Contributions to potential growth**



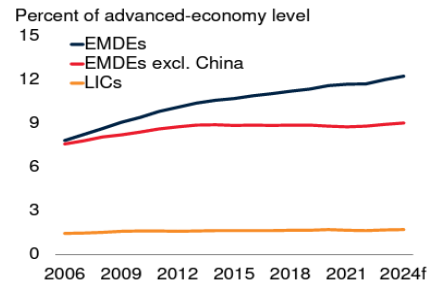
**D. EMDE growth in 2023, by credit rating**



**E. Model-based global CPI inflation projections**



**F. EMDE GDP per capita**



The global economy is projected to slow substantially this year, with a pronounced deceleration in advanced economies. The first half of the 2020s is expected to be one of the weakest half-decades of the past 30 years for emerging market and developing economies (EMDEs), as a result of both cyclical dynamics and slowing potential growth. EMDEs with lower credit ratings are set to experience a particularly sharp slowdown this year. Inflation remains elevated in many countries and is envisaged to remain above pre-pandemic levels beyond 2024. Excluding China, EMDEs are expected to make next to no progress at closing the gap in per capita incomes with advanced economies over the forecast horizon.

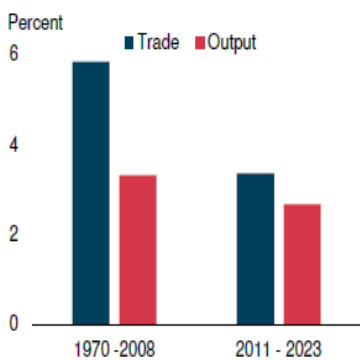
**Global risks and policy challenges**

An intensification of advanced-economy banking stress could result in a sharp slowdown in global growth in 2024, or even a global recession if it had major spillovers to emerging market and developing economies (EMDEs). A more hawkish U.S. monetary policy reaction to inflation could also further raise borrowing costs in EMDEs, especially in those with underlying vulnerabilities. There is an increasing need for debt relief for low-income countries amid a greater diversity of lenders. Substantial investments are needed to achieve resilient and low-carbon growth. Rising debt servicing costs are increasing the risk of debt distress. Reversing the decline in potential growth requires decisive structural reforms.

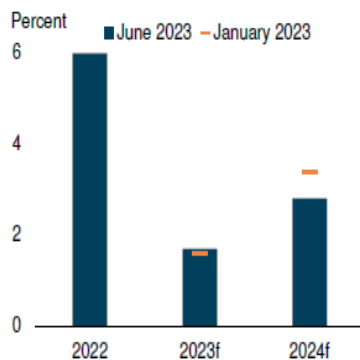
**Global trade**

Supply chain pressures and supplier delivery times have dropped back to pre-pandemic levels as goods demand has weakened and global shipping conditions have improved. A rising number of new trade measures have been protectionist. The ongoing shift in global consumption toward less trade-intensive goods will likely continue to lower the growth rate of trade relative to output. This shift and subdued demand are expected to dampen global trade growth substantially this year.

**C. Global trade and output growth**



**D. Global trade forecast**



**Global inflation and financial developments**

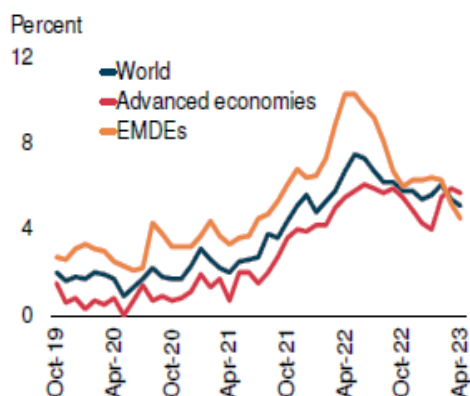
Global core inflation remains elevated. Projections suggest inflation will continue to be above its pre-pandemic level beyond 2024. Market-based measures of long-term inflation compensation in advanced economies remain above 2 percent, despite a decline in oil prices. In many emerging market and developing economies (EMDEs), inflation is either accelerating or has stabilized at high levels. One-year-ahead EMDE inflation expectations have declined only slightly. Longer-term projections point to a faster decline in inflation in countries with inflation targets.

Prior to the advanced-economy bank failures in March, the U.S. yield curve registered its deepest inversion in four decades. During the banking stress, short-term government bond yields and bank stocks fell sharply. Despite these events, and much

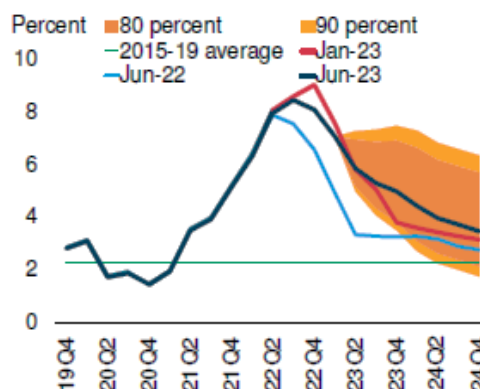


tightened bank lending standards, advanced economy credit spreads remain contained. As borrowing costs have risen globally, currency depreciation and credit spread widening in emerging market and developing economies have been disproportionately concentrated in the countries with the weakest credit ratings.

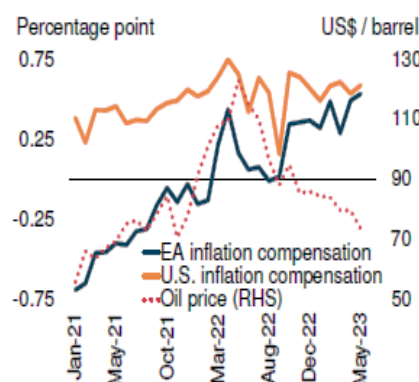
**A. Core inflation**



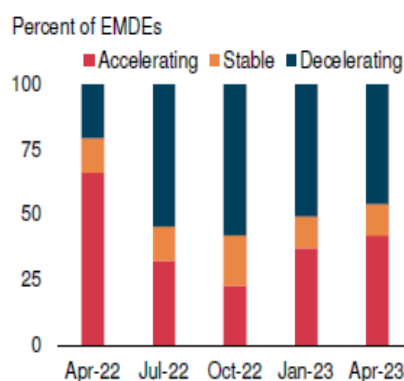
**B. Model-based global CPI inflation projections**



**C. Deviation of long-term market inflation compensation from 2 percent**



**D. Inflation momentum in EMDEs**



(Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/6e892b75-2594-4901-a036-46d0dec1e753/content>)

## INDIAN ECONOMY

In general, global economic shocks in the past were severe but spaced out in time. This changed in the third decade of this millennium. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronized policy rate hikes to curb inflation.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilization across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world's second-

largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate. India's economic growth in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Still, private capex soon needs to take up the leadership role to put job creation on a fast track. Recovery of MSMEs is proceeding apace, as is evident in the amounts of GST they pay, while the ECGLS is easing their debt servicing concerns.

Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand and, to a lesser extent, by exports. Growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors.

**Table I.1: Global economic challenges led to a downward revision in growth forecast across countries**

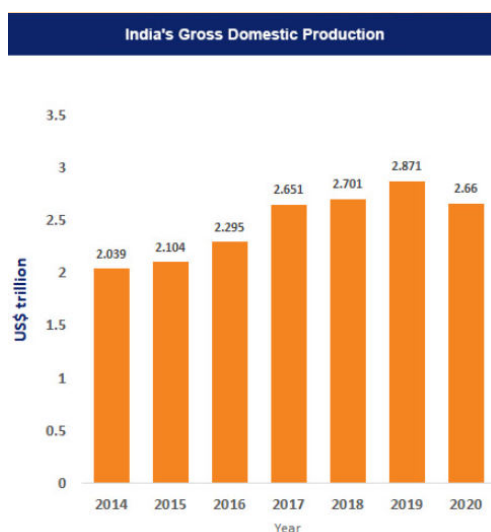
	Growth Projections (per cent)		Change from WEO Update (July 2022) (per cent)	
	2022	2023	2022	2023
<b>World</b>	3.2	2.7	0	-0.2
<b>Advanced Economies</b>	2.4	1.1	-0.1	-0.3
<b>United States</b>	1.6	1	-0.7	0
<b>Euro Area</b>	3.1	0.5	0.5	-0.7
<b>UK</b>	3.6	0.3	0.4	-0.2
<b>Japan</b>	1.7	1.6	0	-0.1
<b>Emerging Market Economies</b>	3.7	3.7	0.1	-0.2
<b>China</b>	3.2	4.4	-0.1	-0.2
<b>India*</b>	<b>6.8</b>	<b>6.1</b>	<b>-0.6</b>	<b>0</b>

Source: IMF

Note: \*Projection for India is for its fiscal year (Apr-Mar), while for the other economies, it is from Jan-Dec.

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>)

## Market Size



India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1 % of GDP in the first quarter of FY 2022-23.

### ***Recent Developments***

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy.

- As of January 6, 2023, India's foreign exchange reserves stood at US\$ 561,583 million.
- 1,261 deals were recorded of more than US\$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US\$ 100 million or more) totalling US\$ 31 billion were completed in 2022.
- Merchandise exports in March 2023 stood at US\$ 38.38 billion, with total merchandise export of US\$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US\$ 770.18, exhibiting a positive growth of 13.84%.
- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.
- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US\$ 19.63 billion (Rs.1,61,497 crore), of which CGST is US\$ 3.77 billion (Rs. 31,013 crore), SGST is US\$ 4.65 billion (Rs. 38,292 crore), IGST is US\$ 9.76 billion (Rs. 80,292 crore).
- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US\$ 9919.63 billion.
- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 128.1, 142.3 and 201.6, respectively, in May 2023.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.
- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US\$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.
- The wheat procurement during RMS 2022-23 was estimated to be 262 lakh metric tonnes and the rice procured in KMS 2022-23 was 624.18 lakh metric tonnes (518 LMT for Kharif crop and 106.18 LMT for Rabi crop). Moreover, in the budget 2022-23, direct payment of (Maximum Selling Price) MSP was launched that estimated to be US\$ 31.74 billion (Rs. 2.37 trillion) in order to boost farmers' income.

### ***Government Initiatives***

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Atma Nirbhar Bharat' and 'Local goes Global'.
- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of US\$ 182.35 million (Rs. 1,500 crore).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from 1st January 2023.

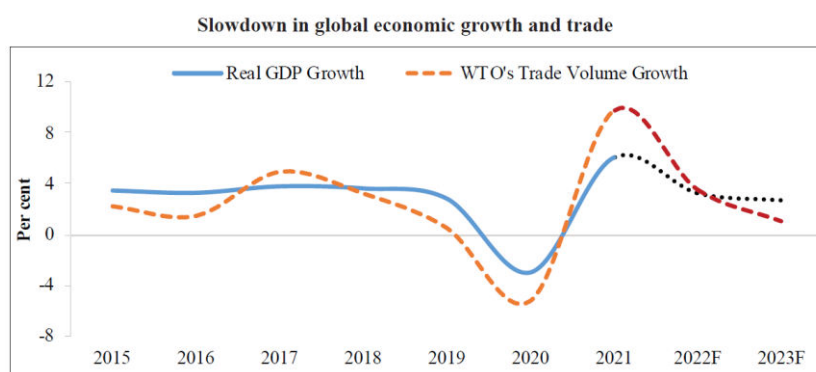
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on 29th December 2022 by the Ministry of Railways.
- On 7th October 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of US\$ 242.72 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on 14 June 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from 1st April 2022, aimed at strengthening interventions for women's safety, security and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at US\$ 142.93 billion (Rs. 10.68 trillion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.

- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.

- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

### Growth Outlook: 2023-24



Source: IMF, WTO  
Note: F stands for Forecast

India's recovery from the pandemic was relatively quick, and growth in the upcoming year will be supported by solid domestic demand and a pickup in capital investment. The current growth trajectory will be supported by multiple structural changes that have been implemented over the past few years. The private sector – financial and non-financial – was repairing balance sheets, which led to a slowdown in capital formation in the previous decade. The financial system stress experienced in the second decade of the millennium, evidenced by rising nonperforming assets, low credit growth and declining growth rates of capital formation, caused by excessive lending witnessed in the first decade-plus, is now behind us. Aided by healthy financials, incipient signs of a new private sector capital formation cycle are visible. More importantly, compensating for the private sector's caution in capital expenditure, the government raised capital expenditure substantially. Budgeted capital expenditure rose 2.7X in the last seven years, from FY16 to FY23, re-invigorating the Capex cycle. Structural reforms such as the introduction of the Goods and Services Tax and the Insolvency and Bankruptcy Code enhanced the efficiency and transparency of the economy and ensured financial discipline and better compliance.

### Growth Magnets in this Decade (2023-2030)

After a long period of balance sheet repair in the financial and corporate sector, the financial cycle is poised to turn upward. As the health and economic shocks of the pandemic and the spike in commodity prices in 2022 wear off, the Indian economy is thus well placed to grow at its potential in the coming decade, similar to the growth experience of the economy after 2003. This is the primary reason for expecting India's growth outlook to be better than it was in the pre-pandemic years. The sound and healthy financial system developed over the last few years will ensure efficient credit provisioning, contributing to higher growth in the coming years through higher investments and consumption. Thanks to India's digital revolution and formalisation, banks have far more information about their customer's credit risks than before, thus being able to make credit and pricing decisions better than before.

(Source: <https://www.indiabudget.gov.in/economicsurvey/>)

### Road Ahead

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

## CHEMICALS - INDUSTRY SCENARIO

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilisers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

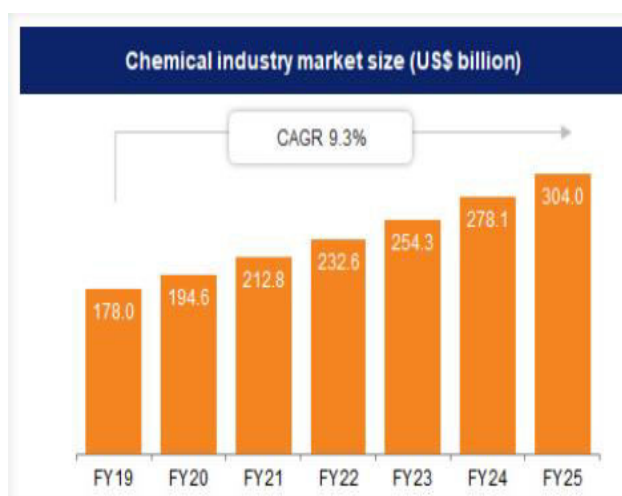
Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals).

The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals. Domestic demand is expected to rise from US\$ 170 billion-US\$ 180 billion in 2021 to US\$ 850 billion-US\$ 1,000 billion by 2040.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

Source: (<https://www.ibef.org/industry/chemical-industry-india>)

### Markets Size

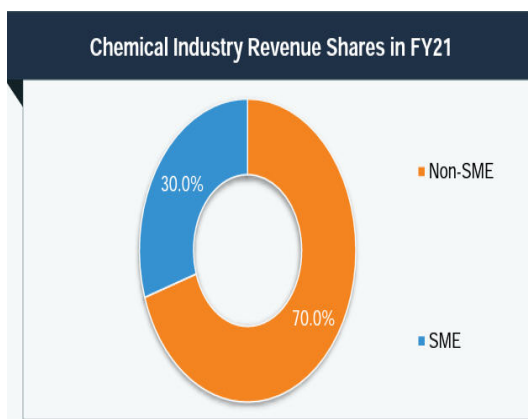


The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22.

The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.





Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

Moreover, according to the CRISIL report, the specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18–20% in 2022 and 14–15% in 2023.

Source: (<https://www.ibef.org/industry/chemical-industry-india>)

### **Import and Export Statistics**

From April 2022-March 2023, exports of organic (US\$ 9.64 billion) & inorganic (US\$ 2.17 billion) chemicals were estimated at US\$ 17.19 billion. Imports of organic (US\$ 18.3 billion) and inorganic (US\$ 9.34 billion) chemicals totalled US\$ 29.58 billion from April 2022 to March 2023. From April 2022-December 2022, imports of petroleum, crude and products stood at US\$ 163.78 billion. Exports of petroleum products are 73.63 billion during April-December 2022. From April-March 2022, the export of agro-chemical was US\$ 5.37 billion, dyes were US\$ 2.04 billion and the other dye intermediates were US\$ 183.49 million. The import of agro-chemical was US\$ 1.79 billion, dyes were US\$ 0.31 billion and the other dye intermediates were US\$ 1.22 billion during April-March 2023.

India exports to more than 175 countries in 2022. The major export destinations are USA, China and new destinations viz. Turkey, Russia and North East Asian Countries (China, Hong Kong, Japan, Korea RP, Taiwan, Macao, and Mongolia) Around 50% of the agro-chemicals are exported from India to the world. India is the top producer and exporter of castor oil, with 85-90 % of total global exports in the world. India holds a strong position in international trading of chemicals and ranks 9th in exports and 6th in imports at a global level (excluding pharmaceuticals).

Source: (<https://www.ibef.org/industry/chemical-industry-india>)

### **Government Initiatives**

A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals. Industrial licensing is approved in most sectors, except for few hazardous chemicals.

The Indian Government supports the industry in research & development, reduced the basic customs duty on several products and offers support through the 'Make in India' campaign.

Four Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) have been set up as the Investment regions for petroleum, chemicals and petrochemicals along with associated services. The Government of India is considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.



Source: (<https://www.ibef.org/industry/chemical-industry-india>)

### Indian Chemicals Council (ICC)

Indian Chemical Council (formerly Indian Chemical Manufacturers Association) was founded in the year 1938 by Acharya P. C. Ray & Rajmitra B. D. Amin, along with a group of Industrialists for promoting the interests of the nascent chemical industry. What began as a vision, emerging from foresight and aspirations, became the Indian Chemical Manufacturers Association and was again rechristened the Indian Chemical Council (ICC). ICC today represents the ~ USD 187 Billion chemical industry in India. Its members include both Indian companies with a global presence as well as subsidiaries of multinationals.

Over the years the Indian Chemical Council went from strength to strength and has evolved into a movement embodying the goals, concern and achievements of the chemical industry in India. In keeping with the dramatically paced growth of the industry in the latter half of this century, the ICC has striven to give an impetus to the objectives of the industry. Realizing the power of information, ICC has consciously worked as a bridge for the many that forms the Indian Chemical Industry.

Source: (<https://www.indianchemicalcouncil.com/history.htm>)

### Sector trends in India

Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's specialty chemicals market. The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. Domestic demand is expected to rise from US\$ 170 billion-US\$ 180 billion in 2021 to US\$ 850 billion-US\$ 1,000 billion by 2040.

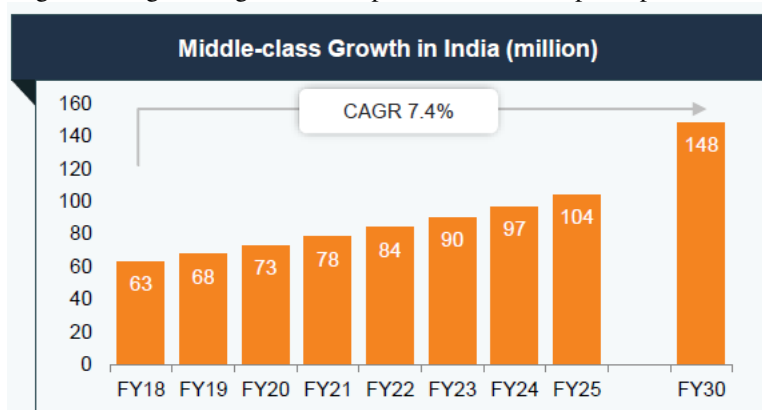
FDI inflows in the chemicals sector (other than fertilizers) reached US\$ 20.96 billion between April 2000 - December 2022. The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines. An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.

The government plans to introduce production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemicals. Under the Union Budget 2023-24 the government allocated Rs. 173.45 crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals. The PLI plan for the National Programme on Advanced Chemistry Cell Battery Storage has been approved by the Union Cabinet as of May 2021. PLI schemes were introduced to promote Bulk Drug Parks, with a budget of Rs.1,629 crore (US\$ 213.81 million).

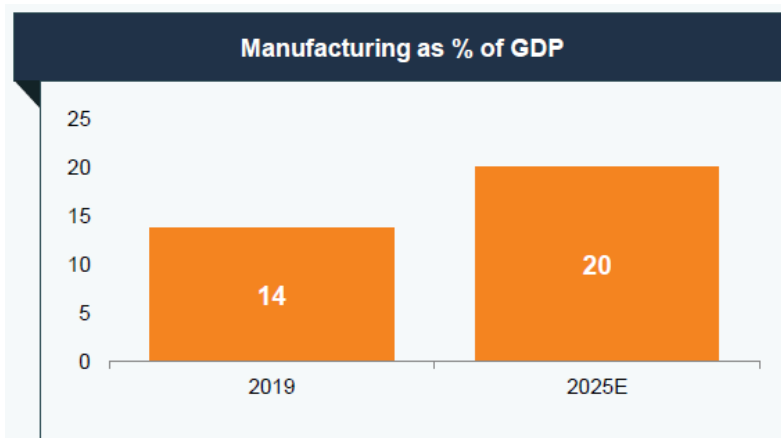
India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas. In July 2021, the government announced discovery of indigenous deposits of phosphatic rocks. This will help expand fertiliser production domestically and boost self-reliance in fertilizer production. The Odisha government accepted investment applications worth ~US\$ 345.3 million in the metal, cement, chemical, plastic, food processing and manufacturing sectors in April 2021. This is likely to generate 2,755 jobs.

### Rise In Domestic Demand

- By 2030, India is likely to have ~80% of the households in the middle-income group.
- The growing middle-class and increasing urbanization is driving the demand for personal care, agrochemicals, food, paints & coatings resulting into higher consumption of chemicals per capita.



### Government aims to boost manufacturing share in GDP to 20% by 2025



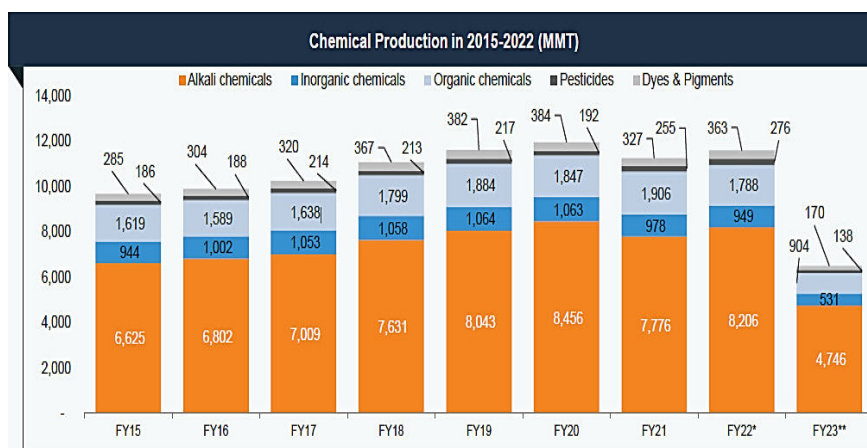
- Government considers the manufacturing sector to be a key focus area and has contacted ~1,450 companies worldwide to manufacture in India.
- The government plan includes 2-3 autonomous zones which does not have labor and land laws.
- ~300 companies are actively pursuing production plans in mobiles, electronics, medical devices and textiles.

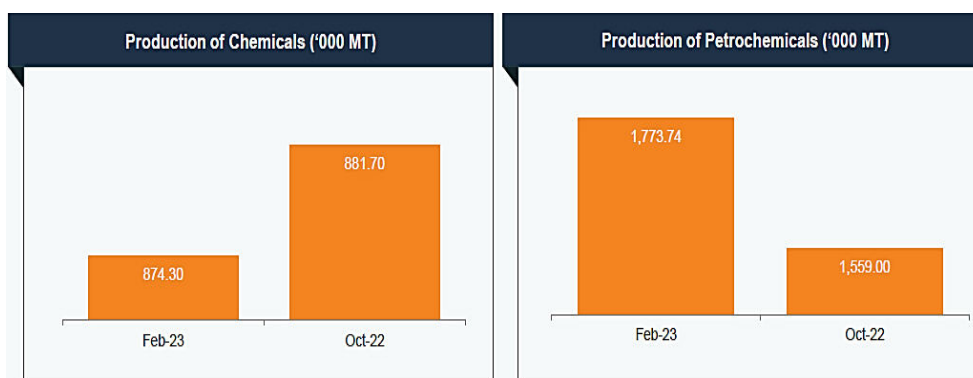
Source: (National Council of Applied Research, World Economic Forum)

In FY23\*\*, Alkali chemicals stood at 73.1% of the total chemical production. Government initiatives such as promotion of small and mid-sized ‘Sodium Bicarbonate’ and ‘Ammonia’ processing industries in proximity to soda ash manufacturing units is likely to boost demand for soda ash in the country. The specialty chemicals market in India would grow faster than China, increasing its market share to 6% by 2026 from 3-4% in fiscal 2021. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand will fuel significant revenue growth of 18–20% in 2022 and 14–15% in 2023.

Note: \*for FY20 and FY21 Pesticide includes production of Pesticides and Insecticides, \*Until February 2022, \*\* Until September 2022

Source: (<https://www.ibef.org/industry/chemical-industry-india>)





### Opportunities in specialty Chemicals

Specialty chemical companies in India have started accelerating their capex plan on the back of strong growth visibility and emerging opportunities. Due to growing environmental concerns, many chemical companies in China ceased activities in 2018; this led to an increase in manufacturing of specialty chemicals in the Indian market to ensure uninterrupted supply. Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

Key growth drivers in the end-user industry for specialty chemicals include the following:

- Paints & coatings: Increase in urbanisation, increase in middle-income households, high replacement demand and increase in per capita income.
- Textile: Increase in Indian export, increase in urbanisation and higher disposal income.
- Construction: Low expenditure on admixtures compared with China and the US.
- Home care: Increased consumption.

Subsegments	User Industries
Paints & Coatings	Construction, Automotive
Special Polymers	Packaging Automotive
Construction Chemicals	Infrastructure, Real Estate
Paper Chemicals	Printing, Packaging
Textile Chemicals	Apparel, Technical Textile
Water Chemicals	Industrial Water, Municipal Water
Cosmetic Chemical	Bath, Shower, Haircare
Flavours & Fragrances	Food Processing, Personal Care
Agro Chemicals	Agriculture, Exports
Home Care Surfactants	Laundry Care, Dishwashing
Colourants	Textile, Exports

### Favorable initiatives by government

- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government

plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.

- 100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals
- Industrial licensing is approved in most sectors, except for few hazardous chemicals
- The Indian Government supports the industry in research & development, reduced the basic customs duty on several products and offers support through the 'Make in India' campaign.
- Four Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) have been set up as the investment regions for petroleum, chemicals and petrochemicals along with associated services
- The Government of India is considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.

*Source: Department of Chemicals and Petrochemicals,*

*Source: (<https://www.ibef.org/industry/chemical-industry-india>)*

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “DCL”, “Company” or “we”, “us” or “our” means Deepak Chemtex Limited.*

All financial information included herein is based on our “**Financial information of the Company**” included on page 147 of this Red Herring Prospectus.

We are primarily engaged in the business of manufacturing of colorants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries. Colorants are formulations of chemical intermediates, pigments or dyes and additives used to add colour to various consumables. We commenced our business in 1997 and have over the years evolved into manufacturing of a complete range of FD&C (Food, Drug and Cosmetic) colours used in the confectionary, bakery, desserts, beverages, dairy products, seasonings, pet foods, pharmaceutical products, cosmetics & personal care products. We also manufacture salt free dyes used in inkjet industry, pond dyes used in ponds, lakes, swimming pools etc and other colorants used in car wash products, portable sanitation cleaners, detergent & soap, fuel, oil & lubricants, smoke, seed treatment, crop protection, fertilizer indicators, floral dyes etc.

Our manufacturing facility is situated at Ratnagiri District in Maharashtra and is equipped with glass lined reactors, boilers and stainless steel equipments and gets audited on a regular basis by our clients. We use various production processes like: Sulphonation, Condensation, Bromination, Oxidation, Reduction, High pressure reactions, Purification etc which enables us to cater to niche and advanced requirements of a wider range of end-products and applications. We manufacture colorants from unwanted salts and isomers. The quality framework at our organization comprises of quality checks focused on shade testing, heavy metals detection, microbiological contamination tests and particle size analysis done by our inhouse team. Our manufacturing facility is accredited with ISO 9001:2015 for quality management system for the manufacture and supply of chemical intermediates & dyes stuff. To ensure quality standards our manufacturing unit has also received HALAL certificate which guarantee that the food is prepared in accordance with Islamic law and is unadulterated and KOSHER certificate that a particular food item or product has been prepared in accordance with the Dietary Laws of Judaism. With the growing environmental concerns we have developed Effluent treatment Plant and carry out a series of treatments to check the COD, BOD, TDS and PH levels of the effluent before we discharge the same to the Common Effluent Treatment Plant.

We are exporting to countries like: China, France, Kenya, Mexico, Europe, Japan, Australia, United Kingdom, United States Of America etc. We have successfully expanded our commercialized product portfolio from around 50 products in Fiscal 2021 to around 100 products in Fiscal 2023. The revenue from top 10 products of the company for the stub period ended on September 30, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021 were Rs 1650.73 lakhs, Rs 3,747.56 lakhs, Rs 4,489.66 lakhs and Rs 2,688.89 lakhs which contributed to 75.92%, 80.24%, 82.97% and 90.97% of our total revenue from operations. We have a diverse base of Indian and global customers who sometimes secure EN 71(European Standard) certification for our products.

We provide flexible packing options like: IBC Tank Packing, HDPE Drum Packing, Cardboard Drum Packing, Carton Packaging and Container Stuffing etc. We pack the offered range hygienically, so as to ensure its safety during the transit.

Our Company is led by our Promoter Saurabh Deepak Arora having an experience of around 26 years in the colorant manufacturing business. To further expand and facilitate our operations we also operate through our subsidiaries through DCPL Speciality Chemicals Private Limited and South West Chemicals Corporation in New Jersey in USA.

The share of revenue through application of our products across various Industry Segments are as under:

*(Rs. In Lakhs)*

Industry Segment	Sept. 2023	%	Fiscal 2023	%	Fiscal 2022	%	Fiscal 2021	%
HI&I - Household Industrial and institutional	654.03	30.08%	2266.71	48.53%	3462.18	63.99%	1167.46	39.50%
Food	213.59	9.82%	411.42	8.81%	696.51	12.87%	991.46	33.54%

Cosmetics	171.84	7.90%	181.87	3.89%	135.48	2.50%	195.13	6.60%
Pharmaceuticals	155.35	7.14%	63.25	1.35%	0.00	0.00%	0.00	0.00%
Industrial	321.07	14.77%	33.97	0.73%	4.14	0.08%	7.84	0.27%
Agriculture	412.95	18.99%	7.59	0.16%	6.97	0.13%	6.59	0.22%
Others	245.58	11.29%	1705.48	36.52%	1105.59	20.43%	587.19	19.87%
<b>Total</b>	<b>2174.40</b>	<b>100.00%</b>	<b>4670.29</b>	<b>100.00%</b>	<b>5410.87</b>	<b>100.00%</b>	<b>2955.66</b>	<b>100.00%</b>

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2174.40	4,670.29	5,410.87	2,955.66
EBITDA <sup>(2)</sup>	411.38	799.32	592.98	411.84
EBITDA Margin <sup>(3)</sup>	18.92%	17.11%	10.96%	13.93%
PAT <sup>(4)</sup>	311.18	630.20	423.10	263.47
PAT Margin <sup>(5)</sup>	14.31%	13.49%	7.82%	8.91%
RoE(%) <sup>(6)</sup>	18.05%	50.27%	58.16%	67.22%
RoCE (%) <sup>(7)</sup>	20.64%	49.65%	50.22%	55.09%

#### Notes:

<sup>(1)</sup> Revenue from operation means revenue from sales, service and other operating revenues

<sup>(2)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

<sup>(5)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup> Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

### OUR COMPETITIVE STRENGTHS

#### *Wide range of products with ability to customize.*

We are offering a palette of hues for Food, Cosmetics, Pharmaceuticals, Agricultural, Household and Industrial applications. As a result, colours are developed in both water-soluble and insoluble forms with safety, availability, precision, and adaptability in mind. Our cosmetic colorants are created noting skin friendliness, physical or chemical stability and pigment loading in formulas. Similarly detergent colorants include Non-staining, Concentrated liquid dyes, Completely Rinsable in water for Home Care, Household & Industrial cleaning Applications. We ensure that our colorants remain light, stable & pH stable for household care and industrial applications.

Our diversification of revenue across multiple industries allows us to prevent any possible customer concentration in any of our product categories. In addition, our diversified product portfolio helps counter seasonal trends and addresses different business cycles across industries where our products are used. With our track record and wide product portfolio, we have been able to retain our existing customers and have also been able to attract new customers.

#### *Long standing relationships with diversified customers across geographies*

We have developed long-term relationships with various corporations that has helped us expand our product offerings, processes and geographic reach. Our customers are typically engaged in various industries, including in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and in Other Industrial Applications and are spread across various geographies, which helps us mitigate risks resulting from customer, industry and geographic concentration. As of March 31, 2023, our product portfolio was sold to over 17 global customers spread in more than 10 countries and to around 62 domestic customers and during the stub period ended on September 30, 2023, our product portfolio was sold to over 15 global customers spread in 5 countries and to around 59 domestic customers.

During the stub period ended on September 30, 2023 and Fiscal 2023, our largest customer contributed approximately 10.04% and 25.59% respectively of our revenue from operations. For the stub period ended on September 30, 2023 and Fiscal 2023, 2022 and 2021, our top 10 customers contributed approximately 64.33%, 76.41%, 73.13% and 63.62% of our revenue from operations respectively. Our long-term relationships and ongoing active engagements with customers

also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships also have helped us expand our product offerings and geographic reach. Our product quality and customization efforts help us to receive repeat orders. During the stub period ended on September 30, 2023 and Fiscal 2023, 2022 and 2021, we derived 53.58%, 42.48%, 66.54% and 76.07% of our revenue from operations in India and 46.42%, 57.52%, 33.46% and 23.93% of our revenue from operations from foreign countries. Our Geographical sales in Indian and in various continents is tabulated below:

**(Rs. In Lakhs)**

<b>Revenue from Operations</b>	<b>Sept 30, 2023</b>	<b>%</b>	<b>FY 22-23</b>	<b>%</b>	<b>FY 21-22</b>	<b>%</b>	<b>FY 20-21</b>	<b>%</b>
Domestic Sales	1,165.08	53.58%	1,983.92	42.48%	3,600.43	66.54%	2,248.32	76.07%
Export Sales	1,009.32	46.42%	2,686.38	57.52%	1,810.44	33.46%	707.34	23.93%
<b>Total</b>	<b>2,174.40</b>	<b>100%</b>	<b>4,670.29</b>	<b>100%</b>	<b>5,410.87</b>	<b>100%</b>	<b>2,955.66</b>	<b>100%</b>

Our customer engagements are dependent on us delivering quality products consistently. Our potential customers may require considerable amount of time to approve us as suppliers to ensure that all their quality controls are met and that we meet all their requirements across a variety of jurisdictions and multiple regulators. Due to the resources involved in engaging with new suppliers, customers are less inclined to pursue alternate supply sources. Moreover, our manufacturing facility is audited by our customers or their external consultants.

We also undertake modifications to our products for certain customers. Further, we believe that our ability to adapt our product offerings to match the needs of our consumers across a wide range of industries gives us a competitive advantage in the market.

***In-house manufacturing facility with equipped machines and processes.***

Our manufacturing infrastructure is equipped with glass lined reactors and stainless steel equipment. Our manufacturing facility situated at Ratnagiri District in Maharashtra. Our facility has its own quality control department. Moreover we source majority of our raw material locally with minimum dependency on imports. Our imported purchases account for 14.56%, 15.67 %, 4.83 % and 11.31 % of our total purchases for the stub period ended on September 30, 2023, Fiscal 2023, 2022 and 2021. Our manufacturing facilities employ manufacturing processes such as Sulphonation, Condensation, Bromination, Oxidation, Reduction, High pressure reactions, Purification etc which enables us to cater to niche and advanced requirements of a wider range of end-products and applications.

***Focus on Quality, Environment, Health and Safety***

Our business is focused on emphasizing on quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. We are accredited with quality certifications like: ISO 9001:2015 for Quality Management System for quality management system for the manufacture and supply of chemical intermediates & dyes stuff. We are sometime required to get our products EN-71 certified (European Standard) to qualify some of our exports. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past, which ensures that our customers are able to confirm the continuance of quality of our facility and processes. We adhere to quality standards as prescribed by our customers to meet the desired requirement; hence we get repetitive orders from our customers.

***Stable and consistent financial performance***

We have demonstrated stable financial performance over the years with growth in terms of profitability. Over the last three years, we have focused our attention towards expanding our product portfolio which has resulted in an increase in overall profitability. Our profit has also grown from ₹ 263.47 lakhs in the Fiscal 2021 to ₹ 631.02 lakhs in Fiscal 2023. For the stub period ended on September 30, 2023 our profit after tax is Rs 311.18 lakhs. As of March 31, 2023 our debt equity ratio was 0.09 times and ROCE was 49.64 %. The stable growth in profits, ROCE and positive operating cash flows enable us to fund our strategic initiatives and pursue opportunities for growth.

### ***Experienced Promoters and Senior Management with extensive domain knowledge***

We have an experienced and qualified management team including our Promoter and Managing Director, Saurabh Deepak Arora who is a Bachelor of Science with overall work experience of around 26 years in the industry, our Promoter and Whole Time Director & CFO, Trishla Baid who is a Bachelor of Arts with overall work experience of around 21 Years and Rajesh Kalikaprasad Tiwari, Executive Director who is MBA with overall work experience of around 23 Years. Thus, we are well placed to capitalize the knowledge and experience of our management team which has been instrumental in growth of our Company. Our promoters have substantial experience in the sectors which we serve, which enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively respond to changes in the market conditions. Our management team also includes our Non-Executive Director, Narendra Kumar Baid, who is a Bachelor of Science (B.Sc) with honours in Physics with overall work experience of around 40 Years.

Moreover, the independent directors on our Board, Gautam Lath who is a Chartered Accountant with an experience of around 10 years and Pinki Kedia who is a Chartered Accountant with an experience of around 24 years also adds strength to our board of directors. Their advisory services and inputs are a value addition to our performance, compliance and overall operations.

### **OUR BUSINESS STRATEGIES**

#### ***Continue to focus on manufacturing by expanding our product portfolio.***

We seek to leverage our capabilities, including our manufacturing facilities and quality control practices, to further expand our product portfolio in the existing segments and also enter new business segments. We believe that by developing new formulations and variants of our products, we can successfully expand our product offerings to larger customer base. We intend to continue to focus on our ability to customize our products according to the specific requirements of our customers and broaden our portfolio and focus on sustainable solutions.

Our revenue from manufacturing and trading activities are set out as under:

*(Amount in Lakhs)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>Sept 30, 2023</b>	<b>FY 22-23</b>	<b>FY 21-22</b>	<b>FY 20-21</b>
1	Revenue from Manufacturing Operations	1921.77	4167.58	4131.69	2405.41
2	Revenue from Trading Operations	252.63	502.71	1279.18	550.25
	<b>Total</b>	<b>2174.40</b>	<b>4670.29</b>	<b>5410.87</b>	<b>2955.66</b>

#### ***Continue to reduce operating costs and improve operational efficiencies***

We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable. We intend to continue enhancing our operational efficiencies, to increase economies of scale, better absorb our fixed costs, reduce our other operating costs and strengthen our competitive position. We would focus on improving capacity utilization at our production facilities, through increase in our overall production volumes. We will continue to seek to manage our supply chain costs through optimal inventory levels, economic orders and other measures. Economies of scale will also enable us to continuously improve our operational efficiencies. We intend to continue further integration of our manufacturing facilities and carry out most of the processes in-house to maximize our efficiencies. We believe our focus on developing cost-reduction strategies and implementing more sustainable methods in our operations will enable us to reduce our costs. We believe that our investments in strengthening our team and upgrading our systems and processes will enable us to achieve our growth objectives while improving our profitability and attain operational efficiencies.

#### ***Continue to strengthen our presence in India and expand our sales and distribution network in international markets***

As of March 31, 2023, our product portfolio was sold to over 17 global customers spread in more than 10 countries and to around 62 domestic customers and during the stub period ended on September 30, 2023, our product portfolio was sold to over 15 global customers spread in 5 countries and to around 59 domestic customers. We believe that the long-standing relationships that we have enjoyed with our customers over the years has helped us grow. In addition, we have sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of our customers. We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationship with our customers through various strategic endeavors, which we intend to leverage by selling baskets of products to the same customers. In addition, we intend to continue to leverage our existing sales and marketing network and diversified product portfolio.








Moreover, we are expanding globally through our wholly owned subsidiary South West Chemicals Corporation in New Jersey in USA to serve our existing direct end-use customers as well as to secure new direct end-use customers and to expand the reach of our products in new markets.








*Continue to focus on our manufacturing capabilities.*

Our company intends to install Centrifuge Machine and Diesel Generator in our existing manufacturing facility. Moreover, our company also intends to install RO System, Centrifuge Machine, GLRV Aeristb - 3kl And GLRV Aeristb – 6.3kl machine in our subsidiary company DCPL Speciality Private Limited. Installation of these machine will enable us to manufacture even vast range of solutions and expand our installed capacity. This approach towards expansion will help us attain economies of scale, improve availability and consistency of the product. Our Company intends to fund the capital expenditure towards acquisition of these plant & machineries from the Net Proceeds. For details please refer section titled **“Object of the Issue”** on page 70 of the Red Herring Prospectus.

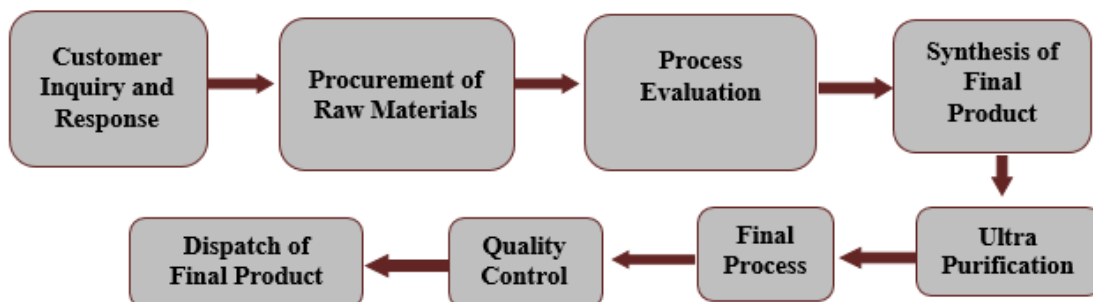
## Our Product Portfolio

Over the years we have developed various product categories. As of March 31, 2023, our product portfolio comprised of around 100 products. Details of the major products of our company are tabulated below:

Product Categories	Industry Application		Description
Lake Colours	Food		Food colours are widely used in the Confectionary, Bakery, Desserts, Beverage, Dairy products, Seasoning, Pet foods. We offer customized blend of colours as per the Customers' requirement. We strive to provides exact natural variations in colour and make it more appealing and appetizing.
	Cosmetics		We offer a wide range of pigments & cosmetic colors for Cosmetics & Personal Care applications to enhance the appearance and add aesthetic value to the finished formulations for permanent makeup, eye make up, lip-sticks, nail polishes, lip care, foundations, etc.
	Pharmaceuticals		In the pharmaceutical industry, colouring compounds are utilised to promote product awareness. For this reason, pigments and dyes are particularly important Colorants In Pharmaceutical products applications, ensuring uniformity without compromise
Pond Dyes	HI&I - Household Industrial and institutional		These are used for algae control and to prevent weed growth, as well as clear up a muddy appearance.
Car wash	HI&I - Household Industrial and institutional		Car wash colorants and dyes are specifically selected for use in car wash soap coloring and triple foam applications. These colorants have high stability properties which are required in many soap and detergent formulations and also provide minimal staining or totally non-staining characteristics.

Product Categories	Industry Application		Description
Portable Sanitation Cleaners	HI&I - Household Industrial and institutional		<p>Applications extend broadly with a focus on portable toilets/sinks, sanitation/cleaning agents, marine/RV waste systems, deodorizers for municipal landfills, and public restrooms. Our process improvements yield advantages that will bring value as well as ease of use.</p> <p>Portable Sanitation Colorants are compatible with other active ingredients, easy to wash out, (non-staining,) highly soluble for in-line blending, non-settling, and stable at applicable pH ranges. Portable Sanitation Colorants perform very well in unit-dose packaging applications such as soluble packets and tablets.</p>
Detergent & Soap	HI&I - Household Industrial and institutional		We offer a wide range of dyes and pigments for home care/household industrial applications. It contains water-soluble colours (in powder form) and a unique set of non-staining dyes.
Fuel, Oil & Lubricants	Industrial		These are highly concentrated heat-stable colorants, available in liquid and powder form, are soluble in polar solvents and hydrocarbon-based oil and lubricants. Their high concentration allows the formulator to use minimal amounts of dye thereby causing no change to the product's original physical characteristics. In addition, their stability to high heat makes them a good match for lubricants, engine oil, automatic transmission fluid, and grease. Some lubricants are water-based and would require our water-soluble dyes or possibly pigments
Ink & Toner	Industrial		<p>We supply water-soluble ink dyes, and solvent-soluble solvent dyes. These colorants are applicable to ink-jet printers, ink pads, roller-point pens, permanent, erasable, and fluorescent markers, and other specialty applications.</p> <p>water-soluble dyes consist of a wide range of acid, basic, and direct powder dyes used in the formulation of various ink applications.</p>
Smoke	Industrial		These specialty colorants, available in powder form, are designed specifically for pyrotechnic-colored smoke for use in distress signals, flares, military smoke cover grenades, sea markers and smoke locators, and marine locators. These highly concentrated dyes meet the physical requirements for many military standard specifications.
Seed Treatment & colouring, Crop Protection Coloring, Fertilizer Indicators	Agriculture		Colorant Solutions for seed treatment, crop protection, and crop fertilization products require a collaborative process between the colorant manufacturer and their customer. We develop the color solution for our customers' products – meeting all shade, physical property, and government regulatory requirements. Many types of colorants may be used in the coloration of seed treatment coatings, fertilizer, fungicide, pesticide, & herbicide treatments, nitrogen stabilizers, urease inhibitors, and other agricultural chemical treatments to act as an agricultural marker spray, visual product identifier for product branding, and application, health, & safety awareness.
Floral Dyes	Agriculture		These are used in the coloration of flowers. We also offer a unique Ready-To-Spray (RTS) coating system consisting of a wide shade range including copper, gold, bronze, and silver metallic-like decorative colors.

## MANUFACTURING PROCESSES



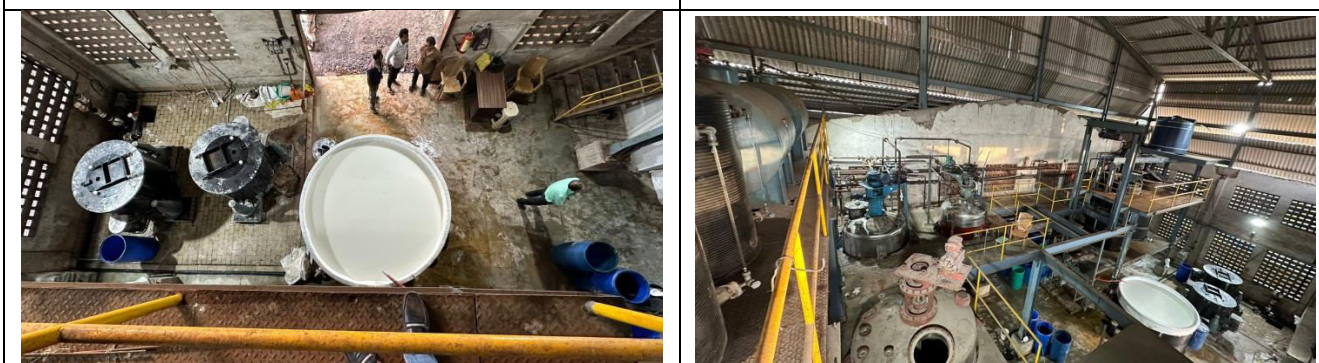
Our manufacturing process involves receiving the necessary enquiry / purchase order from customers. Upon receipt of proposal, technicalities and process of product is evaluated and in some cases samples are sent to customers for their analysis and validation. We are required to strictly adhere to the technical specifications mentioned therein. Once the product is validated requisite raw material is procured to manufacture finished goods. Synthesis of Final Product requires using of the key Raw materials/ intermediates to synthesise our final product by way of Condensations, Diazotization, coupling, oxidations and isolations reactions. We use one or more combinations of process to manufacture the final product. For our export orders we are required to comply with various international and organizational codes and practices. Ultra Purifications is done to ensure the quality of our final product. Finally once the product is synthesised, it is dried - pulverized - blended - sieved – packed. Quality control checks are conducted to ensure that the products meet all the parameters like Dye content, PH, Solubility, insolubles, powder appearance etc. These parameters are tested for each batch quality control instruments. Final products are then ready to be dispatched with necessary invoice, packing list, COA, SDS etc.

## OUR MANUFACTURING FACILITY

### OUR FACTORY



### MANUFACTURING PLANT



## **INFRASTRUCTURE FACILITIES:**

**Availability of Raw Material** – The raw materials we use in our manufacturing process are primarily sourced from third party suppliers in India and some are also imported from China. During the stub period ended on September 30, 2023 and Fiscal 2023, Fiscal 2022 and Fiscal 2021, our purchases of raw material amounted to ₹ 1349.38 lakhs, ₹ 2696.40 lakhs, ₹ 3265.08 lakhs and ₹ 1465.50 lakhs respectively. Our raw materials include Dichlorobenzaldehyde, Solvent Green, Ortho Phosphoric Acid, Soda Ash, Ethox, Sodium Bromate, Sodium Meta Bi Sulphite, Vanadium Pentoxid, Para Cresidine Ortho Sulphonic Acid etc. We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers from the open market. The prices of our key raw materials depend on crude oil prices which has been globally volatile and increases in the prices of these materials have an impact on our cost of production.

**Power and fuel** - The requirement of power in our manufacturing facility is met through Maharashtra State Electricity Distribution Co. Ltd. We use diesel generators to meet exigencies to ensure that our facilities are operational during power failures.

**Water** - Our current water consumption at our manufacturing facility is are sourced from Maharashtra Industrial Development Corporation

### **Collaborations/ Tie Ups/ Joint Ventures**

Except as disclosed in this Red Herring Prospectus and normal course of business, we do not have any collaborations/ Ties Ups/Joints Ventures as on date.

### **Capacity and Capacity Utilization**

Below are the details of the installed and the utilized capacity of our company:

Particulars	2022-23	2021-22	2020-21
	Qty in MT	Qty in MT	Qty in MT
Installed Capacity	1824	1824	1200
Actual Production	1496	1295	960
Capacity Utilization	82%	71%	80%

*\*The information related to the installed capacity is based on the assumptions and estimates that have been taken into account for the calculation of the installed production capacity. The assumptions and estimates are on the basis of explanations provided and on the basis of operating days calculated on an annual basis. Considering the nature of our business catering to various types of colorants, manufacturing of each of which require different composition, technology and time and accordingly we have taken a combination of these factors to determine the installed capacity and utilization percentage.*

### **Plant & Machinery**

The major plant & machinery installed at our factory are as under:

Boiler Machine, Acid Storage tanks, Centrifuge, Cooling towers, Glass Distillation assembly, Glass lined Reactors, HDPE Reactors, Measuring tanks, Stainless Steel Reactors, Digital Weighing Scale, Dryer, PP Filter Press, MS beam, MS Channel, MS Plate, MS Chequered Plate, Reaction vessel, Air Compressor, Hot Air Generator heat exchanger, pressure reactors and reverse osmosis / ultra-filtration membranes and Multiple effect evaporators and spray driers etc.

### **Sales and Marketing**

Our business operations and products primarily cater to the business-to-business segment. We maintain direct contact with majority of our customers which allows us to understand the technical needs and specifications of our customers. As a B2B manufacturer, our channels of marketing are such that we need to reach and target our clients of various industries to offer our diversified products. Physical access to B2B decision makers is always difficult and restricted; hence the first step is to connect with them digitally. We have in-house team which looks after the sales and marketing of our products. This team is also responsible for the marketing of our products, negotiating prices, procuring repeat orders and ensuring timely dispatch and deliveries. Our sales team has built long-term relationships with a number of our customers.



We have disclosed geographic Segment Revenue and Segment Assets in table below for Domestic (India) and Export (Outside India):

Particulars	Period ended 30 <sup>th</sup> September, 2023	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue including other Operating income</b>				
India	1,165.07	1983.92	3600.43	2248.32
Outside India				
1. Asia	-	221.15	120.33	60.87
2. Europe	113.33	214.01	523.63	234.04
3. North America	874.55	2242.38	912.47	232.68
4. South America	-	-	66.69	19.72
5. Africa	-	8.83	-	-
6. Australia	21.45	-	187.32	160.02
<b>Total</b>	<b>2174.40</b>	<b>4670.29</b>	<b>5410.87</b>	<b>2955.65</b>
<b>Carrying amount of Segment Assets (Trade Receivable)</b>				
India	700.17	347.98	567.27	405.66
Outside India				
7. Asia	0.53	0.53	-	8.83
8. Europe	10.45	158.25	15.29	18.36
9. North America	616.87	598.19	191.84	48.14
10. South America	-	-	20.05	-
11. Africa	-	8.83	-	-
12. Australia	-	-	49.77	37.14
<b>Total</b>	<b>1,328.02</b>	<b>1113.78</b>	<b>844.22</b>	<b>518.13</b>

## Competition

Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. There are various large and small manufactures that develop similar products that we sell. These players in the industry may have greater financial resources, technology, greater market penetration and operations in diversified geographies and product portfolios, which may allow them to better respond to market and technological trends. Some of the listed companies that are in the business similar to ours are: Vidhi Specialty Food Ingredients Limited, Vipul Organics Limited and Kiri Industries Limited.

## Human Resource:

We have in our team qualified, technical, skilled and unskilled personnel who are abreast with the updated manufacturing norms. They are committed & dedicated to maintain the specified standard, quality & safety of our products. As on July 31, 2023 we have employed 88 full time employees.

## Insurance

Operating our business involves many risks, which, if not insured, could adversely affect our business and results of operations. We maintain insurance coverage that we consider customary in the industry against certain of the operating risks. Our insurance policies include vehicle insurance and Employee's Compensation Insurance. We believe that our current level of insurance is adequate for our business and consistent with industry practice, and we have not historically experienced a loss in excess of our policy limits. We may not be able to obtain insurance coverage in the future to cover all risks inherent in our business, or insurance, if available, may be at rates that we do not consider to be commercially reasonable.

## IMMOVABLE PROPERTIES

Details of our immovable properties are as below:

Sr. No.	Details of the Property	Actual Use	Owned/Leased
1.	Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri Ratnagiri – 415722, Maharashtra, India	Registered Office and Factory	Owned
2.	No. 8/7, Avenue Road, Nungambakkam, Chennai - 600034	Corporate Office	Rented

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 197 of this Draft Red Herring Prospectus*

**This chapter has been classified as under:**

- A. Core Business Laws**
- B. Corporate and Commercial laws**
- C. Industrial, Labour and Employment Laws**
- D. Environmental Laws**
- E. Tax Laws**
- F. Foreign Regulations**
- G. Intellectual Property Laws**

### **A. CORE BUSINESS LAWS**

**The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (“Chemical Accidents Rules”).**

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents by, inter alia, setting up a central crisis group, State Crisis group, District level and local level crisis groups and a crisis alert system.

The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review off-site emergency plans. Functions of State Crisis Group

The major functions of the State Crisis Group is to review all District Off-site Emergency Plans in the State, with a view to examine its adequacy and to assist the State Government in the planning, preparedness and mitigation during a major chemical accident, and to continuously monitor the post-accident situation arising out of major chemical accident in the State and to forward a report to the Central Crisis Group.

Functions of the District Crisis Group

The functions of the District Crisis Group is to assist in the preparation of the district Off-Site Emergency Plan, review all the On-Site Emergency Plans and to assist the district administration in the management of chemical accident at a site and to continuously monitor chemical accidents. The District Crisis group is also required to conduct periodically mock-drill of a chemical accident at a site every year and to forward a report on the strength and the weakness of the Plan to the State Crisis Group.

The "Local Crisis Group" is a body in the industrial pocket, to deal with chemical accident and to coordinate efforts in planning, preparedness and mitigation efforts during such an accident. Its duties require preparation of Local Emergency Plan for industrial pocket, dovetailing of Local Emergency Plan, with the district Off-site Emergency Plan and to train personnel in management of a chemical disaster and to educate the people (population) likely to be affected during a chemical accident about the remedies and existing preparedness and to periodically conduct mock-drill of a chemical accident and to forward a report to the District Crisis Group.

**The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (“HCR Rules”).**

The HCR Rules are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars

specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

### **The Indian Boilers Act, 1923 (“Boilers Act”) and the Indian Boiler Regulations, 1950 (“Boiler Regulations”)**

The Boilers Act seeks to regulate, inter alia, the manufacture, possession and use of boilers. In terms of the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use, by an inspector appointed by the relevant State Government. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings.

## **B. CORPORATE AND COMMERCIAL LAWS**

### **Companies Act, 2013**

Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

### **The Registration Act, 1908 (“Registration Act”)**

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.



### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **The Consumer Protection Act, 2019**

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers' disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up under the Act.

### **The Bureau of Indian Standards Act, 2016**

The Bureau of Indian Standards Act, 2016, has been brought into force with effect from October 12, 2017, repealing and replacing the Bureau of Indian Standards Act, 1986. The BIS Act establishes Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment, or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. Further, the BIS Act also provides for repair or recall, including product liability of the products bearing a standard mark but not conforming to the relevant Indian Standard.

## **C. INDUSTRIAL LAWS, LABOUR AND EMPLOYMENT LAWS**

### **Industrial (Development and Regulation) Act, 1951**

This Act has been liberalized under the New Industrial Policy dated July 24<sup>th</sup>, 1991, and all industrial undertakings have been made exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **Factories Act, 1948**

Chhattisgarh Factory Registration is mandated by the Factories Act, 1948 to ensure that the factory complies with the stipulated rules and safety guidelines. Upon registering a factory, the Government of Chhattisgarh issues a license. This license is a document /certificate of authorization for granting permission to regulate and carry out manufacturing pursuits from a particular locality. According to the Factories Act, any person who wants to construct, extend a factory in Chhattisgarh has to get prior permission from the respective authority in advance before the commencement of the business. The Factories Act is established with the objective of ensuring the installation of adequate safety measures and promoting the health and welfare of the workers employed in factories.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 ("Industrial Disputes Act") provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the

procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

The Act provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The Central Government is empowered to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, (ii) a small enterprise, or (iii) a medium enterprise, as per criteria mentioned in the said Act. The MSMED Act inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”) and the schemes formulated there under (“schemes”)**

The Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPF Act") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPF Act provides for the institution of provident funds and pension funds for employees in establishments where more than 20 (twenty) persons are employed and factories specified in Schedule I of the EPF Act. Under the EPF Act, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **The Employees State Insurance Act, 1948**

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department. The Employees' State Insurance Rules, 1950 ensure implementation of the provisions of the Employees' State Insurance Act, 1948.

### **Maharashtra Shops & Establishments (Regulation of Employment and Conditions of Service) Act, 2017 and The Tamil Nadu Shop and Establishment Act, 1947**

These Legislations are enacted with the objective to govern the establishment of Shops in the States and is applicable on the shops as may be notified by State Government. No shop or establishment can operate without taking registration under these laws of respective States. Such laws further regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **The other labour laws applicable to the Company are:**

- Minimum Wages Act, 1948
- Payment Of Wages Act, 1936
- Employees' Compensation Act, 1923
- Payment Of Gratuity Act, 1972
- Payment Of Bonus Act, 1965
- Industrial Disputes Act, 1947
- The Maternity Benefit Act, 1961
- The Equal Remuneration Act, 1976 And Equal Remuneration Rules, 1976
- The Child and Adolescent Labour (Prohibition And Regulation) Act, 1986
- Apprentices Act, 1961

**The Government of India has consolidated 29 central Labour laws into four Codes namely Code of Wages 2019, The Code on Social Security, 2020, The Industrial Relations Code, 2020 and Occupational Safety, Health and Working Conditions Code, 2020. All these codes have received the assent of President of India but none of them has been made effective till date. Brief descriptions of each of the codes are given below.**

### **Code of Wages, 2019**

The Code aims to consolidate the laws relating to wages and bonus and matters connected therewith or incidental thereto. It received the assent of President of India on August 08, 2019. The Code contains procedure for fixing minimum wage, limit for fines and deductions in wages, minimum and maximum bonus, calculation of allocable and available surplus, as well as gender neutral consideration in fixing wages. The Code has given the power to Central Government to fix a “floor wage” and the State governments cannot fix any minimum wage less than the “floor wage”. It amalgamates and subsumes four imperative labour laws - the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The date of implementation of the Code is yet to be notified.

### **The Code on Social Security, 2020**

This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. The Code aims to provide better social security benefits such as provident fund, insurance and gratuity to workers. It extends the reach of the Employees' State Insurance Corporation and the Employees' Provident Fund Organization (which regulate benefits such as provident fund, insurance, pension, etc.) to the workers in the unorganized sector and the platform and gig workers. The Code further stipulates gratuity benefit for fixed term employees without any condition for minimum service period as envisaged under the current regime. The Code subsumes nine (9) labour laws relating to social security, namely, the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine-Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers Social Security Act, 2008.

### **The Industrial Relations Code, 2020**

This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. The Code aims to streamline the laws regulating industrial disputes and trade unions in India. For the benefit of the employers, the Code has introduced various aspects such as increasing the threshold of workers to three hundred (300) for obtaining the consent of the concerned government in case of lay off, retrenchment or closure of the establishment, notice of change not required to be given subject to the conditions stipulated in the Code, increasing the wage threshold to INR 18,000 (Indian Rupees Eighteen Thousand) for exclusion from the definition of worker, etc. The Industrial Relations Code also introduces the concept of deemed certification of standing orders. The Code subsumes three labour laws relating to industrial relations, namely, the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947

### **Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code) is one of three new labor codes that will consolidate the bulk of labor legislation in India and streamline labor compliance besides expanding the social security net for workers. This Code received the assent of President of India on September 28, 2020 though the implementation of the same is yet to be notified. Rules to implement the Code are expected to be finalized in the next few weeks.

New establishments covered by the OSH Code must register themselves (within 60 days of commencement of the Code) with registering officers appointed by the appropriate government. Establishments already registered under any other federal law will not be required to register again.

Every employer is directed to undertake the following obligations by the OSH Code:

- Ensure that the workplace is free from hazards can cause injury or occupational disease to the employees and comply with the OSH Code and the government's directions on the same;
- Provide free annual health examination or testing, free of cost, to certain classes of employees;
- Provide and maintain, as reasonably practical, a working environment that is safe and without risk to the health of the employees;
- Issue letters of appointments to employees; and
- Ensure that no charge is levied on any employee for maintenance of safety and health at workplace, including the conduct of medical examination and investigation for the purpose of detecting occupational diseases.

Further, the Code directs employers with respect to factories, mines, dock work, building and other construction work, or plantations to ensure: (i) safety arrangements in the workplace and absence of risk to health in connection with the use, storage, and transport of articles and substances; (ii) provision of such information, instruction, training, and supervision as are necessary to ensure the health and safety of all employees at work, etc. This Code shall subsume more than 10 labour laws including Factories Act 1948, Contract Labour Act 1970 and Mines Act 1952.

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

### **The Public Liability Insurance Act, 1991 (“PLI Act”) and the Public Liability Insurance Rules, 1991**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

### **The Legal Metrology Act, 2009 (the “Legal Metrology Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011**

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act governs the standards/units/denominations used for weights and measures. It also states that any transaction/contract relating to goods shall be as per the weight/measurement prescribed by the Legal Metrology Act. Such weights and measures are required to be verified and re-verified periodically before usage through government approved test centres. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Any non-compliance or violation under the Legal Metrology Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases. The Legal Metrology (Packaged Commodities) Rules, 2011 (the “Packaged Commodities Rules”) were framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lay down specific provisions applicable to packages intended for retail sale, wholesale and for export and import. A “pre –packaged commodity” means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules provide that it is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed. Further, all pre-packaged commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act and no pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual maximum retail price and bringing e-commerce within the ambit of these rules.

### **The Maharashtra Fire Prevention & Life Safety Measures Act, 2006 read with The Maharashtra Fire Prevention & Life Safety Measures Rules, 2009**

This Act may be called the Maharashtra Fire Prevention & Life Safety Measures Act, 2006 which extends to the whole of the State of Maharashtra. It is an Act to make more effective provisions for the fire prevention and life safety measures in various types of buildings in different areas in the State of Maharashtra. The Maharashtra Fire Prevention and Life Safety Measures Rules, 2009 were made by State Government in exercise of the powers conferred by sub-section (1) of section 49 of the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and they extend to the whole State of Maharashtra.

### **Maharashtra Fire Prevention and Life Safety Measures (Amendment) Act, 2023**

The Government of Maharashtra has published the Maharashtra Fire Prevention and Life Safety Measures (Amendment) Act, 2023 to further amend the Maharashtra Fire Prevention and Life Safety Measures Act, 2006. It has come into force with effect from May 11, 2023.

Salient features of the amendment are as under:

1. Fire safety approval will be required for educational buildings, storage building, multi-level car parking, storage for utilities (such as DG sets) etc.
2. Appointment of Fire Officer and Fire Supervisor will be required for residential buildings having height >70 mts., large oil & natural gas installations such as refineries, LPG bottling plants etc. and industrial buildings with moderate and high hazardous activities.
3. Provision for fire safety audit and appointment of Fire Safety Auditor made.
4. Schedules-I and II of the Act have been amended as per Building Code of India 2016.
5. Fire services renamed as Fire and Emergency Services to cover all manmade and natural calamities as per directives of Home Ministry.

Furthermore, a bi-annual fire safety audit is now mandatory to assess preparedness. Violators of these new safety regulations can face imprisonment of up to three years and a penalty of up to INR 1 lakh.

## **D. ENVIRONMENTAL LAWS**

### **Environment Protection Act, 1986**

The Environmental Protection Act, 1986 is an “umbrella” legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

### **Water (Prevention and Control of Pollution) Act, 1974, as amended**

The Water (Prevention and Control of Pollution) Act, 1974 prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent.

### **The Water (Prevention and Control of Pollution) Cess Act, 1977**

Provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

### **The Air (Prevention and Control of Pollution) Act, 1981**

The Air (Prevention and Control of Pollution) Act, 1981 requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

### **The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign

regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### **Hazardous and other Wastes (Management and Trans boundary Movement) Rules, 2016 (“HW Rules”)**

The HW Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes through a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and disposal of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The new HW Rules as compared to the Rules of 2008 have enlarged the scope of regulated wastes by including ‘other wastes’ in its ambit. Other wastes include: Waste tyre, paper waste, metal scrap, used electronic items, etc. and are recognized as a resource for recycling and reuse. These resources supplement the industrial processes and reduce the load on the virgin resource of the country.

## **E. TAX LAWS**

### **Income Tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **Goods and Services Tax**

The Central Goods and Services Tax Act, 2017 received assent of the President on 12<sup>th</sup> April 2017 and came into force from 1<sup>st</sup> July 2017. Goods and Service Tax (GST) is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India such as Service tax, Central Excise Act, Entry Tax, Octroi, Additional customs duty and other draconian indirect taxes. There are 3 taxes applicable under this system- CGST, SGST, IGST.

**CGST:** is collected by the Central Government on an intra-state sale;

**SGST:** Collected by the State Government on an intra-state sale;

**IGST:** Collected by the Central Government for inter-state sale.

Therefore, in addition to the CGST Act, the company has to comply with the requirements of State GST laws as well in which it has operations.

**Following laws which have been subsumed in GST Act were applicable to the Company till 30th June 2017 and shall remain applicable here after as stated in the GST Act.**

### **Central Excise Act, 1944 and Excise Regulations**

The Central Excise Act, 1944 sought to impose an excise duty on excisable goods which are produced or manufactured in India. Excise duty was levied on production of goods but the Liability of excise duty arose only on removal of goods from the place of storage, i.e., factory or warehouse.

### **Central Sales Tax Act, 1956**

Central Sales Tax (“CST”) was levied in accordance with the Central Sales Tax Act, 1956 on movable goods sold in the course of inter-state trade or commerce. CST was payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate.

### **State laws governing Entry Tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It was levied at such rate as may be specified by the State Government and different rates may be specified for different goods.

#### **Service Tax, (the 'Finance Act, 1994')**

Service tax was charged on taxable services as defined in Chapter V of Finance Act, 1994, which required a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government.

There are other indirect taxes which are now subsumed under GST and these are Additional Duties of Excise, Cess, Purchase Tax, Taxes on advertisements.

#### **The Maharashtra State Tax on Professions, Trades Callings and Employments Act 1975 and Tamil Nadu Municipal Laws Second Amendment Act 59 of 1998 read with Tamil Nadu Panchayats, Municipalities and Municipal Corporations (Collection of Arrears of Tax on Profession, Trades, Calling and Employment's) Rules, 1998**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

#### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e., bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

### **F. FOREIGN REGULATIONS**

#### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development & Regulation) Act, 1992 [herein after FTA], provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorised to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorised to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

#### **Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder**

FEMA is an Act to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. It gives powers to the Central Government to regulate the flow of payments to and from a person situated outside the country. It defines the procedures, formalities, dealings of all foreign exchange transactions in India.

Export of goods and services outside India is also governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA"), read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 issued by the RBI on January 12, 2016 [last amended on September 10, 2021]. The RBI has also issued a Master Circular on Export of Goods and Services.

## **G. INTELLECTUAL PROPERTY LAWS**

### **The Trademarks Act, 1999 (“Trademarks Act”)**

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.



## **HISTORY AND CORPORATE STRUCTURE**

### **Brief history and background of our Company**

Our Company was originally incorporated as a private limited Company under the name of “Deepak Chemtex Private Limited” on June 10, 1997 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai, bearing registration number as 211935. Thereafter, Our Company has shifted its registered office from Mumbai to Pune effective from May 01, 2022. Our Company was converted from private limited to public limited and the name of our Company was changed from “Deepak Chemtex Private Limited” to “Deepak Chemtex Limited” vide fresh certificate of incorporation dated September 04, 2023, issued by the Registrar of Companies, Pune, Maharashtra. The Corporate identification number of our Company is U24110PN1997PLC211935.

Neelima Deepak Arora, Renu Ajay Narula, Anand Kumar Chaubey and Saloni Vijay Narula were the initial subscribers to the Memorandum of Association of our Company.

### **Address of the Registered Office:**

<b>Registered Office &amp; Factory</b>	Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri – 415722, Maharashtra, India
<b>Corporate Office</b>	No. 8/7, Avenue Road, Nungambakkam, Chennai – 600 034.

### **Changes in Registered Office of the Company:**

Except as disclosed below, there has been no change in our Registered Office since incorporation.

<b>Effective date</b>	<b>From</b>	<b>To</b>	<b>Reason for change</b>
October 01, 2015	608 Complex Centrenirmal Life Style Lbs Marg, Mulund (W), Mumbai, Maharashtra – 400080, India	Flat No.A/57/,1196 Azad Nagar, Greenland CHSL, Veera Desai Road, Andheri(West), Mumbai – 400058, India	Administrative Convenience
December 01, 2018	Flat No.A/57/,1196 Azad Nagar, Greenland CHSL, Veera Desai Road, Andheri(West), Mumbai	Unit No. 207, 2nd floor, Morya Landmark-1, Plot No, B-25, Off Link Road, Oshiwara, Andheri West, Mumbai – 400 053, Maharashtra, India	Administrative Convenience
May 01, 2022	Unit No. 207, 2nd floor, Morya Landmark-1, Plot No, B-25, Off Link Road, Oshiwara, Andheri West, Mumbai – 400 053, Maharashtra, India	Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri, Maharashtra – 415 722, India	Administrative Convenience

### **Main Objects of Memorandum of Association:**

The main objects of our Company as contained in our Clause III(A) of Memorandum of Association of our Company are as follows:

1. To carry on the business as manufacturers, producers, refiners, exporters and importers of and dealers in sulphuric acid, oleums chlore-sulphonie acid, hydrochloric acid and other inorganic acids of all kinds alums of all grades, pyrites, gypsum, bauxite, alumina, aluminium hydroxide or any other aluminium compounds, sulphur, zinc, copper, magnesium, zinc sulphate copper sulphate, magnesium sulphate and other sulphates hydrogen, chlorine, fertilisers, pesticides, pharmaceuticals, polymers plastics, detergents, dyes, essences.
2. To buy, manufacture, mix, sell, refine, prepare, Import, export and to carry on any business in minerals, methylated and rectified spirits, dry or other colours, coaltar dyes, die intermediates, raw materials, pigments dyes, paints, synthetics paints and thinners, coloured or other cements, varnishes, synthetic, resins, enamels, lacquers, distempers, disinfectants oil, wood preservative, Fruit or vegetables or other preservatives, printings and making inks, dry inks, writing inks, polishes of descriptions, including metal, wood, paper, polishes, crayons, powders, electroplating, abrasive and its chemicals, shoe dressing, greases, vaselines, creams, glue, gelentine, and other glue preparations.
3. To manufacture, produce, refine, process, formulate, buy, sell, export, import or otherwise deal in all types of heavy and light chemicals, chemical elements and compounds, including without limiting the generality of the foregoing, laboratory and scientific chemicals or any nature used or capable of being used in the pharmaceutical industry, Dyes

industry, agricultural chemicals, fertilisers, petrochemicals, industrials chemical or may sixtures, derivatives and compounds thereof.

#### Amendments to the Memorandum of Association

Except as stated below, there has been no change in the Memorandum of Association of our Company since its incorporation:

Date of Meeting	Type of Meeting	Amendments
July 30, 1997	EGM	Increase in the authorized share capital of the Company from ₹20.00 Lakh divided into 20,000 Equity Shares of ₹ 100/- each to ₹50.00 Lakhs divided into 50,000 Equity Shares of ₹100/- each.
July 05, 2021	EGM	The Clause III A and III B be substituted with new heading and deletion of Clause III C of the Memorandum of Association.
June 10, 2023	EGM	Sub-division of Face value of Equity Shares of the Company from 50,000 Equity Shares of 100/- per Equity Share to 5,00,000 Equity shares of 10/- per Equity Share.
July 28, 2023	EGM	Increase in the authorized share capital of the Company from ₹50.00 Lakh divided into 5,00,000 Equity Shares of ₹ 10/- each to ₹1,100.00 Lakhs divided into 1,10,00,000 Equity Shares of ₹10/- each.
August 17, 2023	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently, name of the Company has been changed from 'Deepak Chemtex Private Limited' to 'Deepak Chemtex Limited' and fresh Certificate of Incorporation Consequent upon conversion to Public Limited Company issued dated September 04, 2023 bearing CIN: U24110PN1997PLC211935 was issued by Registrar of Companies, Pune, Maharashtra.

#### Major events and milestones of our Company:

The table below sets forth some of the major events in the history of our company:

Year/ F.Y.	Key Events/ Milestone/ Achievements
1997	Incorporation of our Company as "Deepak Chemtex Private Limited" under the Companies Act, 1956.
1998	Land Acquired in Village Awashi, Taluka Khed, District Ratnagiri, Maharashtra for Factory.
2000	Received Import Export code
2019	Received ISO 9001:2015
2020-21	Crossed turnover of Rs. 25 crores.
2021	Incorporated a subsidiary named as DCPL Speciality Chemicals Private Limited.
2021-22	Crossed revenue of Rs. 50 crores.
2022	Registered office of company shifted from Mumbai to Ratnagiri at Factory's address.
2023	Incorporated a Wholly Owned subsidiary company at New Jersey, USA named as "South West Chemicals Corporation" situated at 1 Auer CT, 2nd Floor, East Brunswick NJ 08816 with Entity ID: 0450954889.
2023	Conversion of the company from Private Limited to Public Limited company
2023	Received HALAL - certificate of Compliance in accordance with GACB Board guidelines for "manufacturing and exports of dyes and Chemicals".
2023	Received KOSHER - certificate of Compliance for "manufacturing and exports of dyes and Chemicals".

#### Changes in activities of our Company during the last five (5) Years:

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Red Herring Prospectus.

#### Our holding company:

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

#### Our Associates and Joint Ventures:

As on the date of this Red Herring Prospectus, our Company does not have any Associate Company and Joint Ventures.

## Our Subsidiaries:

As on date of this Red Herring Prospectus, our Company has two subsidiaries, namely:

1. DCPL Speciality Chemicals Private Limited
2. South West Chemicals Corporation (*New Jersey*) – wholly owned subsidiary

### 1. *DCPL Speciality Chemicals Private Limited*

#### Corporate Information:

DCPL Speciality Chemicals Private Limited was incorporated under the Companies Act, 2013 pursuant to certificate of incorporation dated July 13, 2021 issued by ROC, Central Registration Centre.

<b>CIN</b>	U24200MH2021PTC363872
<b>PAN</b>	AAICD6125E
<b>Registered Office</b>	1101, Kedarnath, Tower, Opp Badrinath Tower, D.P Road, 7 Bunglow, Andheri West, Mumbai – 400 061, India

#### Nature of Business:

The objects clause of the memorandum of association of DCPL Speciality Chemicals Private Limited authorizes it to carry on the business of manufacturing and exports of Dyestuffs and Chemicals.

#### Capital Structure:

Particulars	Number of Equity Shares	Amount
Authorized Capital	1,00,000	10,00,000
Issued, subscribed and paid-up capital of equity Shares	1,00,000	10,00,000

#### Board of Directors:

Sr. No.	Name	Designation	DIN
1	Saurabh Deepak Arora	Director	00404150
2	Trishla Baid	Director	07063446

#### Shareholding Pattern as on the date of this Red Herring Prospectus is as follows:

Sr. No.	Name	No. of Shares	Percentage (%)
1	Deepak Chemtex Limited	90,000	90.00
2	Trishla Baid	10,000	10.00

### 2. *SOUTH WEST CHEMICALS CORPORATION*

#### Corporate Information:

Company was originally incorporated as **South West Chemicals Corporation** on April 13, 2023 with certificate of Inc. having Entity ID: 0450954889 and Employer Identification Number 35-2802350 issued by “New Jersey Department of The Treasury Division of Revenue and Enterprise Services”. The registered office of the company is situated at 1 Auer CT, 2nd Floor, East Brunswick, New Jersey 08816.

#### Nature of Business

South West Chemicals Corporation is engaged in the business of import and supply chemicals products to customers in the US.

#### Shareholding Pattern

The shareholding pattern of South West Chemicals Corporation as on the date of this Red Herring Prospectus is mentioned below:-

Sr. No.	Name of Shareholder	% Percentage
1.	Deepak Chemtex Limited	100.00

#### **Other details regarding our Subsidiary**

#### **Accumulated profits or losses of our Subsidiary**

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of our Subsidiaries that are not accounted for, by our Company in the Restated Financial Statements.

#### **Common Pursuits**

Our Subsidiaries i.e. DCPL Speciality Chemicals Private Limited & South West Chemicals Corporation are in the same line of business as that of our Company. For details of related business transactions between our Company and our Subsidiaries, please see “**Restated Financial Statements – Related Party Disclosure**” on page 175 of this Draft Red Herring Prospectus.

#### **Outstanding litigations**

For details regarding the outstanding litigations against our Subsidiaries, see “**Outstanding Litigation and Material Developments**” beginning on page 194 of this Draft Red Herring Prospectus.

#### **Other confirmations**

Our Subsidiary Companies have not listed its securities on any stock exchange in India or abroad. Further, neither the securities of our Subsidiaries have been refused listing

#### **Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc.:**

Our Company has not made any material acquisitions or divestments of business/undertakings mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus.

#### **Injunction or Restraining Order:**

Except as disclosed in the section titled “**Outstanding Litigation and Material Developments**” beginning on page 194 of this Draft Red Herring Prospectus, there are no injunctions/ restraining orders that have been passed against the Company.

#### **Capacity/ Facility Creation, Location of Plants**

For details pertaining to capacity/ facility creation, location of plant refers section “**Business Overview**” on page 103 of this Red Herring Prospectus.

#### **Details of launch of key products, entry in new geographies or exit from existing markets**

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled “**Business Overview**” on page 103 of this Red Herring Prospectus

#### **Changes in the Management:**

For details of change in Management, please see chapter titled “**Our Management**” on page 128 of the Red Herring Prospectus.

#### **Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company:**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**Shareholders Agreements:**

There are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Red Herring Prospectus.

**Collaboration Agreements:**

As on date of this Red Herring Prospectus, Our Company is not a party to any collaboration agreements.

**Other Material Agreement:**

Our Company has not entered into any other subsisting material agreements other than in the ordinary course of business of our Company, as on the date of this Red Herring Prospectus.

**Strategic or Financial Partners:**

Except as disclosed in this Red Herring Prospectus, Our Company does not have any strategic or financial partners as on the date of this Red Herring Prospectus.

**Time and Cost Overruns in Setting up Projects:**

There has been no time/ cost overrun in setting up projects by our Company.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

There have been no defaults or rescheduling of borrowings with any financial institutions/ banks as on the date of the Red Herring Prospectus.

**Other Agreements:****i. Non-Compete Agreement:**

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Red Herring Prospectus.

**ii. Joint Venture Agreement:**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Red Herring Prospectus

## OUR MANAGEMENT

### Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Saurabh Deepak Arora</b></p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Age:</b> 44 years</p> <p><b>Date of Birth:</b> July 04, 1979</p> <p><b>Address:</b> 1101, Kedarnath Tower, Off. J P Road, Fisheries University Road, Opp. Badrinath Tower, 7 Bungalows, Andheri West, Mumbai – 400 061, Maharashtra, India.</p> <p><b>Experience:</b> 26 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Science</p> <p><b>Current Term:</b> For a period of three years with effect from July 28, 2023; liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since June 15, 1998</p> <p><b>DIN:</b> 00404150</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>DCPL Speciality Chemicals Private Limited</li> </ol> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>Farben Life LLP</li> <li>Speciality Colours &amp; Chemicals LLP</li> </ol>
<p><b>Trishla Baid</b></p> <p><b>Designation:</b> Whole-time Director &amp; CFO</p> <p><b>Age:</b> 46 years</p> <p><b>Date of Birth:</b> July 17, 1977</p> <p><b>Address:</b> 1101/1102, 11<sup>th</sup> Floor, Kedarnath CHSL, D P Road, Andheri West, Mumbai, Mumbai Suburban, Maharashtra – 400 061, India.</p> <p><b>Experience:</b> 21 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Arts</p> <p><b>Current Term:</b> For a period of three years with effect from July 28, 2023; liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since January 20, 2014</p> <p><b>DIN:</b> 07063446</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>DCPL Speciality Chemicals Private Limited</li> </ol>
<p><b>Rajesh Kalikaprasad Tiwari</b></p> <p><b>Designation:</b> Executive Director</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>Tiwari Biophosphates Private Limited</li> </ol>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Age:</b> 54 years</p> <p><b>Date of Birth:</b> July 30, 1969</p> <p><b>Address:</b> CTS. 625, Waghere Heights Shivam Building, 3<sup>rd</sup> Floor, Flat No. 203, Behind Nav Maharashtra School, Pimpri – Waghere, Pune City, Pune – 411 017, Maharashtra, India</p> <p><b>Experience:</b> 23 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualifications:</b> MBA</p> <p><b>Current Term:</b> with effect from November 30, 2021;</p> <p><b>Period of Directorship:</b> Since November 30, 2021</p> <p><b>DIN:</b> 07238431</p>	<p>2. Excel Phosphochem Private Limited</p>
<p><b>Narendra Kumar Baid</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Age:</b> 70 years</p> <p><b>Date of Birth:</b> February 15, 1953</p> <p><b>Address:</b> Old No. 19, New No. 36, Haddows Road, Greams Road, Chennai, Tamil Nadu, 600 006</p> <p><b>Experience:</b> 40 years</p> <p><b>Occupation:</b> Employment</p> <p><b>Qualification:</b> Bachelor of Science (Hons.) in Physics</p> <p><b>Current Term:</b> with effect from July 28, 2023; liable to retire by rotation</p> <p><b>Period of Directorship:</b> From July 28, 2023.</p> <p><b>DIN:</b> 06414420</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Indian Mineral Industries Ltd</li> <li>2. Clb Pharmaceuticals Private Limited</li> </ol>
<p><b>Gautam Lath</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 31 years</p> <p><b>Date of Birth:</b> September 22, 1992</p> <p><b>Address:</b> 304, Harshad Heights, 150, Feet Road, Bhayander West, Opp. Maxus Mall, Bhayander West, Thane, Maharashtra – 401 101, India.</p> <p><b>Experience:</b> 10 years</p> <p><b>Occupation:</b> Practicing Chartered Accountant</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Maven Capital Advisors Private Limited</li> </ol>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> For a period of 2 years with effect from July 28, 2023; not liable to retire by rotation</p> <p><b>Period of Directorship:</b> From July 28, 2023.</p> <p><b>DIN:</b> 10198794</p>	
<p><b>Pinki Kedia</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 47 years</p> <p><b>Date of Birth:</b> October 04, 1975</p> <p><b>Address:</b> A-501, Crescent Grande, Old Nagardas Road, Raj Chambers, Andheri East, Mumbai, Mumbai Suburban, Maharashtra – 400 069, India.</p> <p><b>Experience:</b> 24 years</p> <p><b>Occupation:</b> Practising Chartered Accountant</p> <p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> For a period of 2 years with effect from July 28, 2023; not liable to retire by rotation</p> <p><b>Period of Directorship:</b> From July 28, 2023.</p> <p><b>DIN:</b> 08455451</p>	<p><b>Companies:</b></p> <p>1. SSKP Finsol Private Limited</p>

**Brief Profile of Directors:**

- Saurabh Deepak Arora** is the Chairman & Managing Director of our Company. He has been on the Board since incorporation. He is a visionary entrepreneur and has played a pivotal role in expanding business operations of our Company. He has a work experience of over 26 years in the Chemical and Colorant industry and has completed his Bachelor of Science from Ruia College, Matunga, Mumbai in the year 2001. He currently looks after the overall management of the Company. Under his guidance, our Company has witnessed continuous growth.
- Trishla Baid** is the Whole-time Director and CFO of our Company. She has been on the Board since January 2014. She has completed her degree in Bachelor of Arts in the year 1998 from Stela Maris College, Chennai. She has an experience of around 21 years in various sector including accounts and Finance. She is currently looking after the Accounts and Finance function of our Company.
- Rajesh Kalikaprasad Tiwari** is the Executive Director of our Company. He has an experience of around 23 years in the various fields including administration field. He has completed his Management Business Administration (MBA) from Shridhar University, Pilani (Rajasthan) in the year 2015. He is currently looking after the operations of our Company.
- Narendra Kumar Baid** is the Non-Executive Director of our Company. He has an experience of around 40 years in the administration field. He has completed Bachelor of Science (B.Sc) with honours in Physics from University of Calcutta in the year 1972.
- Gautam Lath** is the Independent Director of our Company. He has a work experience of around 10 years in Corporate Laws and Financial Management. He is a Qualified Member of Institute of Chartered Accountants of India.



6. **Pinki Kedia** is the Independent Director of our Company. She has a work experience of around 24 years in Corporate Laws and Financial Management. She is a Qualified Member of Institute of Chartered Accountants of India.

**Confirmations:**

As on the date of this Red Herring Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Red Herring Prospectus, whose shares has been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d) None of our Directors is declared as fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

**Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)**

The following Directors and KMPs of the Company are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMP	Relationship with other Directors/KMPs
1	Saurabh Deepak Arora	Husband of Trishla Baid and son in law of Narendra Kumar Baid
2	Trishla Baid	Wife of Saurabh Deepak Arora and daughter of Narendra Kumar Baid
3	Narendra Kumar Baid	Father of Trishla Baid and Father in Law of Saurabh Deepak Arora

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

**Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Details of Borrowing Powers of Directors:**

Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on September 21, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100.00 Crore.

**Compensation of our Managing Director & Whole-time Director:**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules

made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for:**

**1. Saurabh Deepak Arora: Chairman & Managing Director**

Pursuant to the resolutions passed by our Board and our Shareholders on July 01, 2023 and July 28, 2023 respectively, Saurabh Deepak Arora was appointed as Chairman & Managing Director for a period of three years with effect from July 28, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 120 lakhs p.a.

**2. Trishla Baid: Whole-time Director**

Pursuant to the resolutions passed by our Board and our Shareholders on July 01, 2023 and July 28, 2023 respectively, Trishla Baid was appointed as Whole Time Director for a period of three years with effect from July 28, 2023 at a remuneration, which is to be given by way of salary, dearness allowance, perquisites and other allowances or any other combination thereof which shall not exceed ₹ 120 lakhs p.a.

**Payments or benefits to Directors:**

**The remuneration paid to our Directors in Fiscal 2023 is as follows:**

Name of Director	Remuneration paid in F.Y. 2022-23 (₹ in lakhs)
Saurabh Deepak Arora	10.28
Trishla Baid	11.95
Rajesh Kalikaprasad Tiwari	12.84

**Bonus or Profit Sharing Plan for our Directors:**

We have no bonus or profit sharing plan for our Directors.

**Sitting Fees:**

Our Board of Directors have resolved in their meeting dated September 20, 2023 for payment of sitting fees to Directors (including independent directors) of the Company, such sum as may be decided by the Board of Directors which shall not exceed ₹ 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee thereof, attended by such director. Our Board of Directors have resolved at their meeting held on September 20, 2023 for the payment of sitting fees to Independent Directors of the Company in the following manner:

- A) Rs. 10,000/- for attending Board Meeting.
- B) Rs. 5,000/- for attending Committee Meeting.

**Shareholding of our Directors as on the date of this Red Herring Prospectus:**

Sr. No.	Name of the Directors	No. of Shares held	Holding in % (pre-issue)
1.	Saurabh Deepak Arora	71,37,552	89.40
2.	Trishla Baid	7,98,400	10.00
	<b>Total</b>	<b>79,35,952</b>	<b>99.40</b>

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Red Herring Prospectus.*

As on the date of the filing of this Red Herring Prospectus, Company has two subsidiaries namely

- 1. DCPL Speciality Chemicals Private Limited and
- 2. South West Chemicals Corporation (New Jersey) – wholly owned subsidiary, as defined under Section 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

## INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 128 of this Red Herring Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/ Members/ Partners and for the details of Personal Guarantee given by Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 181 of this Red Herring Prospectus.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

### Interest of Directors in the property of Our Company:

Our directors do not have any interest in any property acquired by our Company during the period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus.

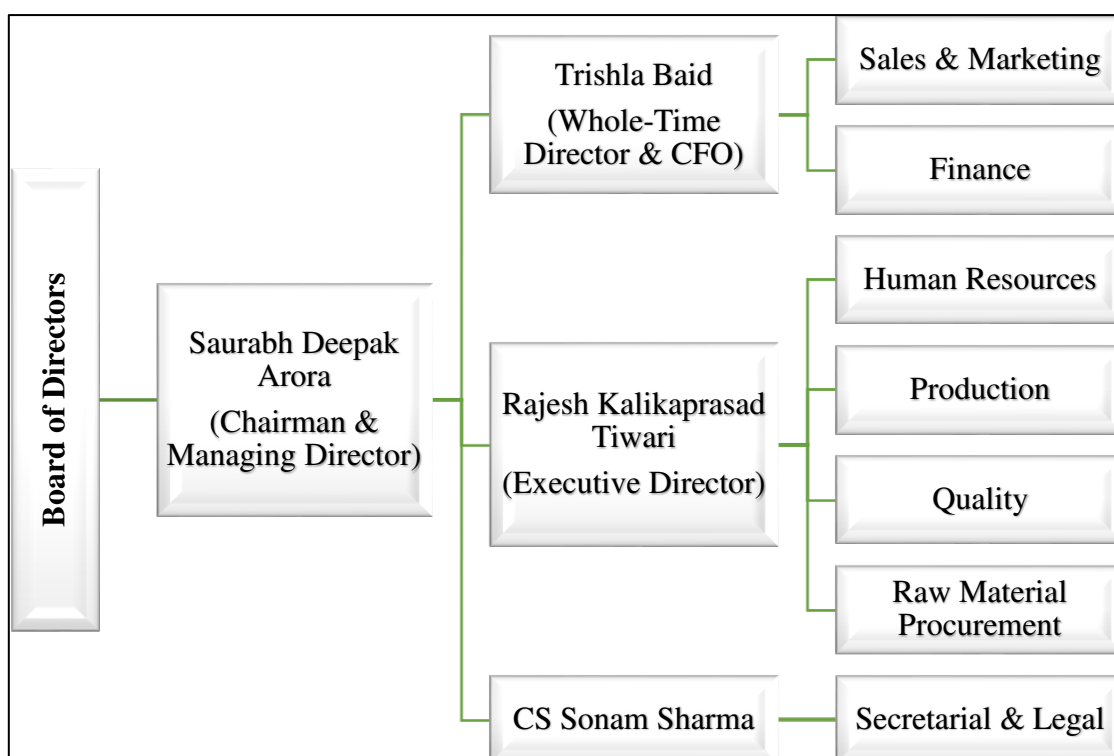
Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company – Annexure XXXI - Related Party Disclosure”** beginning on page 128 and 175 respectively of this Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### Changes in Board of Directors in Last 3 Years:

Sr. No.	Name	Designation (at the time of appointment/ Change in designation / Cessation)	Date of Appointment/ Change in designation/ Cessation	Reason
1.	Rajesh Kalikaprasad Tiwari	Appointed as Director	November 30, 2021	To ensure better Corporate Governance and compliance with Companies Act, 2013.
2.	Saurabh Deepak Arora	Designated as Chairman and Managing Director	July 28, 2023	
3.	Trishla Baid	Designated as Whole Time Director	July 28, 2023	
4.	Narendra Kumar Baid	Appointed as Non-Executive Director	July 28, 2023	
5.	Pinki Kedia	Appointed as Independent Director	July 28, 2023	
6.	Gautam Lath	Appointed as Independent Director	July 28, 2023	

## MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME platform of BSE (BSE SME). The requirements pertaining to the composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors of which two (2) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has formed an Audit Committee, vide Board Resolution dated September 20, 2023 as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Pinki Kedia	Chairman	Independent Director
Gautam Lath	Member	Independent Director
Trishla Baid	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure of the committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

**C. Power of the Committee:**

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

**D. Role of the Committee:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed a Stakeholders Relationship Committee vide Board Resolution dated September 20, 2023 as per the applicable provisions of the Section 178(5) of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Pinki Kedia	Chairman	Independent Director
Gautam Lath	Member	Independent Director
Narendra Kumar Baid	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

### A. Tenure of the committee:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

### B. Meetings of the committee:

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

### C. Terms of Reference:

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

### 3. Nomination and Remuneration Committee

Our Company has formed a Nomination and Remuneration Committee vide Board Resolution dated September 20, 2023 as per the applicable provisions of the Schedule V and other applicable provisions of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Guatam Lath	Chairman	Independent Director
Pinki Kedia	Member	Independent Director
Narendra Kumar Baid	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

#### A. Tenure of the committee:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

#### B. Meetings of the committee:

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

### **C. Role of Terms of Reference:**

The role of the Nomination and Remuneration Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
3. formulation of criteria for evaluation of the performance of independent directors and the Board;
4. devising a policy on diversity of our Board;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

### **Policy on Disclosures & Internal procedure for prevention of Insider Trading:**

The provisions of Regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted in Board meeting held on September 20, 2023 the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct for Prevention of Insider Trading conduct under the overall supervision of the Board.



## KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age (Years)	Year of Joining	Remuneration paid for F.Y. ended 2022-23 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>*Saurabh Deepak Arora</b> <b>Designation:</b> Chairman & Managing Director <b>Educational Qualification:</b> Bachelor of Science <b>Term of office:</b> For a period of three years with effect from July 28, 2023; liable to retire by rotation	44	1997	10.28	26	N.A.
<b>**Trishla Baid</b> <b>Designation:</b> Whole-time Director & CFO <b>Educational Qualification:</b> Bachelor of Arts <b>Term of office:</b> For a period of three years with effect from July 28, 2023; liable to retire by rotation for the position of Whole Time Director	46	2014	11.95	21	N.A.
<b>**Sonam Sharma</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Company Secretary	37	2023	Nil	6	Self Employed

\* Saurabh Deepak Arora was appointed as Managing Director on an Extra Ordinary General meeting dated July 28, 2023.

\*\* Trishla Baid and Sonam Sharma were appointed as Chief Financial Officer (CFO) and Company Secretary and Compliance Officer respectively, w.e.f. September 20, 2023.

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Saurabh Deepak Arora** - Please refer to section “**Brief Profile of our Directors**” beginning on page 128 of this Red Herring Prospectus for details.

**Trishla Baid** - Please refer to section “**Brief Profile of our Directors**” beginning on page 128 of this Red Herring Prospectus for details.

**Sonam Sharma** is the Company Secretary and Compliance officer of our Company. She is the member of Institute of Company Secretaries of India, since 2017. She has an experience of over 6 years in the secretarial matters. She looks after the overall corporate governance and secretarial matters of our Company. She has been appointed as Company Secretary and Compliance Officer of our Company with effect from September 20, 2023.

### We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Saurabh Deepak Arora and Trishla Baid are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended March 31, 2023.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.

- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Red Herring Prospectus except:

Sr. No.	Name of the KMP's	No. of Shares held	Holding in %
1.	Saurabh Deepak Arora	71,37,552	89.40
2.	Trishla Baid	7,98,400	10.00
	<b>Total</b>	<b>79,35,952</b>	<b>99.40</b>

- h. The turnover of KMPs is not high, compared to the Industry to which our company belongs.

#### Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards the Provident fund, Gratuity fund and Employee State Insurance

#### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name of Directors/KMP's	Designation and period	Date of Appointment/ Re-designation/ Cessation	Reason
1.	Saurabh Deepak Arora	Re-designated as Managing Director and Chairman  <b>Period:</b> Three years with effect from July 28, 2023; liable to retire by rotation	July 28, 2023	To ensure better Corporate Governance and compliance with Companies Act, 2013
2.	Trishla Baid	Re-designated as Whole-time Director  <b>Period:</b> Three years with effect from July 28, 2023; liable to retire by rotation	July 28, 2023	
3.	Trishla Baid	Chief Financial Officer	September 20, 2023	
4.	Sonam Sharma	Appointed as Company Secretary & Compliance Officer	September 20, 2023	

#### Interest of Our Key Managerial Personnel:

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our key managerial personal are interested in our Company. For details, please refer section titled "*Financial information of the Company – Annexure XXXI- Related Party Disclosures*" beginning on page 175 of this Red Herring Prospectus.

#### Interest in the property of our Company

Our KMPs do not have any interest in any property acquired by our Company in a period of two years before the filing of this Red Herring Prospectus or proposed to be acquired by us as on the date of filing the Red Herring Prospectus with RoC.

#### Details of the Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

**Loans given/ availed by Directors/ Key Managerial Personnel of our Company**

For details of unsecured loan taken from or given to our Directors/ KMPs and for details of transaction entered by them in the past please refer to “*Annexure XXXI – Related Party Disclosure*” page 175 of this Red Herring Prospectus.

**Employee Stock Option Plan ('ESOP')/ employee stock purchase scheme ('ESPS Scheme') to Employees**

Presently, we do not have any ESOP/ ESPS Scheme for our employees.

## OUR PROMOTERS & PROMOTER GROUP

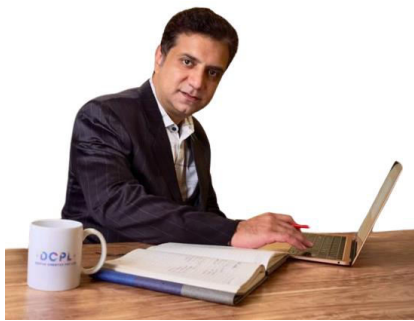

### Our Promoters:

The promoters of our Company are:

1. Saurabh Deepak Arora, and
2. Trishla Baid

As on date of this Red Herring Prospectus, the Promoters, hold 79,35,952 Equity shares of our Company, representing 99.40% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure-Capital Build-up in respect of Shareholding of our Promoters*", on page 59 of this Red Herring Prospectus.

### Details of our Promoters:

	<p><b>Saurabh Deepak Arora – Chairman and Managing Director</b></p> <p>Saurabh Deepak Arora, aged 44 years, is one of our Promoters and is also the Chairman and Managing Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see "<i>Our Management –Brief profile of Directors</i>" on page 128.</p> <p><b>Other ventures of our Promoters</b> – Except as disclosed below and set out in the chapter titled '<i>Our Management</i>', our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>HUF: Saurabh Arora HUF (<i>As Karta</i>)</p> <p>His permanent account number is AAIPA4464G.</p> <p>For details of his shareholding, please see "<i>Capital Structure</i>" on page 59</p>
	<p><b>Trishla Baid – Whole Time Director &amp; CFO</b></p> <p>Trishla Baid, aged 46 years, is one of our Promoters and is also CFO &amp; Whole Time Director on our Board. For further details, i.e., her date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see "<i>Our Management –Brief profile of Directors</i>" on page 128</p> <p><b>Other ventures of our Promoters</b> - Except as disclosed below and as set out in the chapter titled '<i>Our Management</i>', our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>HUF: Saurabh Arora HUF (<i>As member</i>)</p> <p>Her permanent account number is AAIPB1770G</p> <p>For details of his shareholding, please see "<i>Capital Structure</i>" on page 59</p>

### Confirmations/ Declarations:

In relation to our Promoters, our Company confirms that the PAN, Bank Account Numbers, Passport Number, Aadhaar Card Number and Driving License number shall be submitted to BSE at the time of filing of this Red Herring Prospectus.

### **Undertaking/ Confirmations:**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture/ bond/ fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 194 of this Red Herring Prospectus.
- None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### **Interest of our Promoters:**

#### ***i) Interest in promotion and shareholding of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by him and his relatives. As on the date of this Red Herring Prospectus, our Promoters, Saurabh Deepak Arora and Trishla Baid collectively holds 79,35,952 Equity Shares in our Company i.e. 99.40% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them. For details, please refer to *Annexure XXXI – “Related Party Transactions”* beginning on page 175 of this Red Herring Prospectus.

For details regarding the shareholding of our Promoter in our Company, please see “*Capital Structure*” on page 59 of this Red Herring Prospectus.

#### ***ii) Interest in the property of Our Company:***

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of this Red Herring Prospectus.

#### ***iii) In transactions for acquisition of land, construction of building and supply of machinery:***

Except as mentioned in point (ii) above, none of our promoters or directors are interested in any transaction for the acquisition of land, construction of building or supply of machinery.

#### ***iv) Other Interests in our Company:***

*For transactions in respect of loans and other monetary transactions entered in past please refer Annexure XXXI on “Related Party Transactions” on page 175 forming part of “Financial Information of the Company” of this Red Herring Prospectus.*

### **Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and Promoter Group, please refer to the paragraph *“Compensation of our Chairman and Managing Director”* in the chapter titled *“Our Management”* beginning on page 131 also refer *Annexure XXXI on “Related Party Transactions”* on page 175 forming part of *“Financial Information of the Company”* and Paragraph on *“Interest of Promoters”* in chapter titled *“Our Promoter and Promoter Group”* on page 142 of this Red Herring Prospectus.

### **Companies/ Firms with which our Promoters have disassociated in the last (3) three years**

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Red Herring Prospectus.

### **Other ventures of our Promoter**

Save and except as disclosed in this section titled *“Our Promoter & Promoter Group”* beginning on page 142 of this Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled *“Outstanding Litigations and Material Developments”* beginning on page 194 of this Red Herring Prospectus.

### **Material Guarantees:**

Except as stated in the *“Statement of financial indebtedness”* and *“Restated financial information”* of the company beginning on page 181 and 147 of this Red Herring Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Red Herring Prospectus.

### **Experience of Promoters in the line of business**

Our Promoter, Saurabh Deepak Arora have an experience of around 26 years and Trishla Baid has an experience of around 21 years in colorants and Chemical industry. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to section titled *“Annexure XXXI - Related Party Transactions”* on page 175 of this Red Herring Prospectus.

Except as stated in *“Annexure XXXI - Related Party Transactions”* beginning on page 175 of this Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

### **OUR PROMOTER GROUP:**

In addition to the Promoters, the following individual and entities are part of our Promoter Group:

#### **1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(pp)(ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

<b>Relationship with Promoters</b>	<b>Saurabh Deepak Arora</b>	<b>Trishla Baid</b>
Father	Lt. Deepak Arora	Narendra Kumar Baid
Mother	Lt. Neelima Deepak Arora	Chandan Baid
Spouse	Trishla Arora	Deepak Arora

Brother	-	Sidharth Baid
Sister	Swati Rai	-
Son	Nirvan Arora	Nirvan Arora
Daughter	-	-
Spouse's Father	Narendra Kumar Baid	Lt. Deepak Arora
Spouse's Mother	Chandan Baid	Lt. Neelima Deepak Arora
Spouse's Brother	Sidharth Baid	-
Spouse's Sister	-	Swati Rai

## 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities forms part of our Promoter Group:

S.N.	Relationship	Entity
1	Any Body corporate in which 20% or more of the share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	<b>Companies:</b> 1. Ocean Health And Medical Private Limited 2. CLB Pharmaceuticals Private Limited
2	Any company in which a company mentioned in (1) above, holds 20% or more, of the equity share capital	Nil
3	Any HUF or Trust or firm in which the aggregate share of the Promoter and his immediate relatives is equal to or more than 20% of the total	<b>LLP:</b> 1. Farben Life LLP 2. Speciality Colours & Chemicals LLP <b>HUF:</b> 3. Saurabh Arora HUF

## 3. Other Persons included in Promoter Group:

None of the other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018.

## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not paid/ declared any dividend in last three years from date of this Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.



**SECTION VI-FINANCIAL INFORMATION OF THE COMPANY**

**RESTATED FINANCIAL STATEMENTS**

**Independent Auditor's Report on Restated Financial Statements**

To

**The Board of Directors**

**DEEPAK CHEMTEX LIMITED**

Aawashi, 28/1A, A/P Adgul Aawashi, Lote,

NA Ratnagiri Ratnagiri

MH 415722

Dear Sirs,

1. We have examined the attached restated financial statements of **DEEPAK CHEMTEX LIMITED** (hereinafter referred to as "**the Company**") and its subsidiaries, (Collectively referred to as **the Group**), comprising the Restated Standalone Statement of Assets and Liabilities as at March 31, 2021 and the Restated Consolidated Statement of Assets and Liabilities for the financial year ended on March 31, 2022 March 31, 2023 and for the period ended September 30, 2023, the Restated Standalone Statements of Profit and Loss, the Restated Standalone Cash Flow Statement for the period ended March 31, 2021 and the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the financial years ended on March 31, 2022, March 31, 2023 and for the period ended as on September 30, 2023, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on, November 08, 2023 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus("Draft Offer Document/Offer Document") prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
  - (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")
2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, **M/s A D V & Associates** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds the peer review certificate dated 25 January, 2022 valid till 31 January, 2025. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
4. We have examined such restated financial statements/information taking into consideration:
  - (i) The terms of reference and terms of our engagement agreed upon with you in accordance with our letter dated May 22, 2023 in connection with the Draft Offer Document/ Offer Document being issued by the Company for its proposed Initial Public Offering of equity shares on relevant stock exchange ("**IPO**" or "**SME IPO**"); and

- (ii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”). The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

5. These Restated Financial Statement have been compiled by the management of the company from:

- a) Audited Consolidated Financial Statements of the company as at and for the period ended September 30, 2023, year ended 31st March, 2023 and 31st March, 2022 and Audited Standalone Financial Statements of the company as at and for the year ended 31st March, 2021 prepared in accordance with Accounting Standard as specified under section 133 of the Act and other accounting principles generally accepted in India which have been approved by the Board of Directors.
- b) The consolidated financial statements includes financial statements and other financial information in relation to Subsidiary Company which was audited by us, details of which are as follows:

Name of the Entity	Status	Relationship	Year audited
DCPL Speciality Private Limited	Private Limited Company	Domestic Subsidiary	F.Y. 2021-22 and F.Y. 2022-23

- c) The consolidated financial statements includes financial statements and other financial information in relation to Subsidiary Company which was not audited by us, details of which are as follows:

Name of the Entity	Status	Relationship	Period not audited
South West Chemical Corporation	Private Limited Company	Foreign Subsidiary	1.04.2023 to 30.09.2023

6. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- (i) The “**restated statement of asset and liabilities**” of the Company as at September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (ii) The “**restated statement of profit and loss**” of the Company for the period ended on September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The “**restated statement of cash flows**” of the Company for the period ended on September 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.

7. Based on our examination, we are of the opinion that the restated financial statements have been prepared:

- a) after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any in the financial Period/years ended September 30, 2023, March 31, 2023, March 31,

2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and

b) In accordance with the Act, ICDR Regulations and the Guidance Note.

8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the period ended on September 30, 2023, March 31, 2023, March 31, 2022, And March 31, 2021 proposed to be included in the Draft Offer Document/ Offer Document.

**Annexure to restated financial statements of the Company:-**

1. Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
  2. Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
  3. Summary statement of cash flow as restated as appearing in ANNEXURE III;
  4. Restated significant accounting policies and notes to accounts as appearing in ANNEXURE IV;
  5. Share capital as restated as appearing in ANNEXURE V to this report;
  6. Reserves and surplus as restated as appearing in ANNEXURE VI to this report;
  7. Long-term borrowings as restated as appearing in ANNEXURE VII to this report;
  8. Deferred tax asset/liability as restated as per ANNEXURE VIII to this report;
  9. Long-term provisions as restated as appearing in ANNEXURE IX to this report;
  10. Short-term borrowings as restated as appearing in ANNEXURE X to this report;
  11. Trade payables as restated as appearing in ANNEXURE XI to this report;
  12. Other current liabilities as restated as appearing in ANNEXURE XII to this report;
  13. Short-term provisions as restated as appearing in ANNEXURE XIII to this report;
  14. Property, Plant & Equipment as restated as appearing in ANNEXURE XIV to this report;
  15. Long-term loans and advances as restated as appearing in ANNEXURE XV to this report;
  16. Inventories as restated as appearing in ANNEXURE XVI to this report;
  17. Trade receivables as restated as appearing in ANNEXURE XVII to this report;
  18. Cash & cash equivalents as restated as appearing in ANNEXURE XVIII to this report;
  19. Short-term loans & advances as restated as appearing in ANNEXURE XIX to this report;
  20. Other current assets as restated as appearing in ANNEXURE XX to this report;
  21. Revenue from operations as restated as appearing in ANNEXURE XXI to this report;
  22. Other income as restated as appearing in ANNEXURE XXII to this report;
  23. Raw material Consumed as restated as appearing in ANNEXURE XXIII to this report;
  24. Purchase of Stock in Trade as restated as appearing in ANNEXURE XXIV to this report;
  25. Change in inventories of finished goods as restated as appearing in ANNEXURE XXV to this report;
  26. Employees benefit expenses as restated as appearing in ANNEXURE XXVI to this report;
  27. Finance cost as restated as appearing in ANNEXURE XXVII to this report;
  28. Depreciation as restated as appearing in ANNEXURE XXVIII to this report;
  29. Other expenses as restated as appearing in ANNEXURE XXIX to this report;
  30. Contingent liabilities as restated as appearing in ANNEXURE XXX to this report;
  31. Related party transactions as restated as appearing in ANNEXURE XXXI to this report;
  32. Tax shelter as restated as appearing in ANNEXURE XXXII to this report;
  33. Capitalisation statement as at 31st March, 2023 as restated as appearing in ANNEXURE XXXIII to this report;
  34. Statement of accounting ratios & additional Information as restated as appearing in ANNEXURE XXXIV to this report,
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned above.
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of chartered accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. In our opinion, the above financial information contained in Annexure I to XXXIV of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV are

prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/ Offer Document in connection with the SME IPO. Our report should not be used, referred to or adjusted for any other purpose except with our consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For A D V & Associates**

Chartered Accountants

Firm Registration no: 128045W

**Sd/-**

**Pratik Kabra**

**Partner**

Membership No.: 611401

UDIN: 23611401BGUONI7085

Place: Mumbai

Date: 08 November, 2023

**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**  
**ANNEXURE - I**

(₹ in Lakhs)

Particulars	Anne xure No.	As at		As at March 31,	
		Sept 30, 2023	2023	2022	2021
		Consolidated	Consolidated	Consolidated	Standalone
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholder's Funds</b>					
(a) Share Capital	V	798.40	49.90	49.90	49.90
(b) Reserves and Surplus	VI	1,081.50	1,518.98	888.53	466.61
<b>(2) Minority Interest</b>		0.89	0.73	0.97	-
<b>(3) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	VII	-	4.25	27.39	30.71
(b) Deferred Tax Liability (Net)	VIII	-	-	-	2.03
(c) Long term provision	IX	31.13	27.33	20.37	18.19
(d) Other long-term Liabilities					
<b>(4) Current Liabilities</b>					
(a) Short Term Borrowing	X	120.78	132.55	172.10	127.41
(b) Trade Payables	XI	575.51	426.12	380.50	324.37
(c) Other Current Liabilities	XII	122.31	116.92	151.96	80.31
(d) Short-Term Provisions	XIII	90.11	105.55	23.45	7.72
<b>TOTAL</b>		<b>2,820.64</b>	<b>2,382.32</b>	<b>1,715.17</b>	<b>1,107.25</b>
<b>II.ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant & Equipment's					
- Tangible Assets	XIV	505.05	436.69	297.22	264.68
- Capital WIP		57.88	9.39	-	-
(b) Non-Current Investment		-	-	-	-
(c) Deferred Tax Assets (net)	VIII	9.82	6.74	1.98	-
(d) Long-term loans and advances	XV	26.62	26.42	19.22	16.41
(e) Other non-current assets		-	-	-	-
<b>(2) Current Assets</b>					
(a) Inventories	XVI	496.72	429.38	215.41	218.46
(b) Trade receivables	XVII	1,328.02	1,113.79	844.22	518.13
(c) Cash and Cash Equivalents	XVIII	223.15	100.31	42.24	16.63
(d) Short-Term Loans and Advances	XIX	45.69	31.30	46.68	29.12
(e) Other Current Assets	XX	127.69	228.30	248.19	43.81
<b>TOTAL</b>		<b>2,820.64</b>	<b>2,382.32</b>	<b>1,715.17</b>	<b>1,107.25</b>

**STATEMENT OF PROFIT AND LOSS AS RESTATED**  
**ANNEXURE - II**

(₹ in Lakhs)

Sr. No.	Particulars	Annexure No.	For the period ended on Sept 30, 2023	For the year ended March 31,		
				2023	2022	2021
			Consolidated	Consolidated	Consolidated	Standalone
<b>A</b>	<b>Revenue:</b>					
	Revenue From Operations	XXI	2,174.40	4,670.29	5,410.87	2,955.66
	Other Income	XXII	38.54	113.43	32.81	17.09
	<b>Total Revenue</b>		<b>2,212.95</b>	<b>4,783.72</b>	<b>5,443.68</b>	<b>2,972.75</b>
	<b>Expenses:</b>					
<b>B</b>	Cost of Material Consumed	XXIII	1,046.87	2,681.66	3,258.14	1,456.37
	Purchase of stock in Trade	XXIV	208.89	417.79	464.21	378.16
	Changes in inventories of finished goods	XXV	31.02	-195.91	13.85	-7.90
	Employee benefit expenses	XXVI	140.89	222.78	195.65	168.89
	Financial Cost	XXVII	3.25	6.82	9.46	7.68
	Depreciation and amortization expenses	XXVIII	36.92	65.85	54.27	57.26
	Others Expenses	XXIX	332.37	741.71	884.44	545.98
	<b>Total Expenses</b>		<b>1,800.21</b>	<b>3,940.70</b>	<b>4,880.01</b>	<b>2,606.44</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>		<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>
	Less: Exceptional Items		-	-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>		<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>
	Prior Period Items		-	-	-	-
	Extra ordinary items		-	-	-	-
<b>D</b>	<b>Profit before tax</b>		<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>
	Tax expense:					
	Current tax		104.63	216.77	145.79	103.94
	Income tax relating to earlier year		-	-	-	-0.46
	Deferred Tax		3.08	4.76	5.22	1.57
	<b>Profit/(Loss) for the period After Tax - PAT</b>		<b>311.18</b>	<b>631.02</b>	<b>423.10</b>	<b>263.47</b>
<b>E</b>	Earning per Equity Share: Basic/Diluted					
	(1) Basic		3.90	7.89	5.30	3.30
<b>F</b>	(2) Diluted		3.90	7.89	5.30	3.30

**STATEMENT OF CASH FLOW AS RESTATED  
ANNEXURE -III**

(₹ in Lakhs)

Particulars	For the period ended on Sept 30. 2023	For the year ended March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>Cash Flow from Operating Activities:</b>				
Net Profit before tax as per Profit and Loss A/c	412.74	843.03	563.67	366.30
<b>Adjustments for:</b>				
Depreciation & Amortisation Expense	36.92	65.85	54.27	57.26
Interest Income	-4.28	-5.81	-0.02	-0.61
Finance Cost	3.25	6.82	9.46	7.68
Foreign Currency Fluctuation Reserve	0.1	-	-	-
Previous years Adjustments	-	-	-	-19.14
Share in Loss Allocated to Minority Interest	-0.17	0.24	0.03	-
<b>Operating Profit Before Working Capital Changes</b>	<b>448.47</b>	<b>910.13</b>	<b>627.41</b>	<b>411.49</b>
Adjusted for (Increase)/ Decrease in:				
Trade Payables	149.39	45.62	56.14	-125.42
Other Current Liabilities	5.39	-35.04	71.65	-32.39
Short-Term Provisions	-2.34	0.03	3.28	7.72
Inventories	-67.35	-213.97	3.05	-17.02
Trade receivables	-214.23	-269.57	-326.09	-94.57
Short-Term Loans and Advances	-14.39	15.38	-17.57	26.97
Net Increase/(Decrease) in Long Term Provisions	3.80	6.96	2.18	18.19
Other Current Assets	99.95	20.81	-204.38	-3.07
<b>Cash Generated from Operations</b>	<b>-39.77</b>	<b>-429.78</b>	<b>-411.74</b>	<b>-219.60</b>
Appropriation of Profit				
Net Income Tax paid/ refunded	117.08	136.42	133.35	114.98
<b>Net Cash Flow from/ (used in) Operating Activities: (A)</b>	<b>291.62</b>	<b>343.69</b>	<b>82.29</b>	<b>76.92</b>
<b>Cash Flow from Investing Activities:</b>				
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	-153.77	-214.71	-86.81	-65.19
Interest Income	4.28	5.81	0.02	0.61
Net Increase/(Decrease) in long term loans and Advances	-0.20	-7.20	-2.81	-6.64
Net Increase/(Decrease) in Investment	-	-	-	-
<b>Net Cash Flow from/ (used in) Investing Activities: (B)</b>	<b>-149.69</b>	<b>-216.10</b>	<b>-89.60</b>	<b>-71.22</b>
<b>Cash Flow from Financing Activities:</b>				
Net Increase/(Decrease) in Long Term Borrowings	-4.25	-23.15	-3.31	-32.10
Net Increase/(Decrease) in Short Term Borrowings	-11.77	-39.55	44.70	39.57
Net Increase/(Decrease) in Minority Interest	0.17	-0.27	0.97	-
Interest on borrowings	-3.25	-6.82	-9.46	-7.68
<b>Net Cash Flow from/ (used in) Financing Activities (C)</b>	<b>-19.10</b>	<b>-69.79</b>	<b>32.89</b>	<b>-0.22</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	122.83	57.52	25.55	5.48
Cash & Cash Equivalents as At Beginning of the Year	100.31	42.24	16.63	11.15
Cash & Cash Equivalents as At End of the Year	223.15	<b>100.31</b>	<b>42.24</b>	<b>16.63</b>

**ANNEXURE – IV**  
**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED**  
**FINANCIAL INFORMATION**

**COMPANY OVERVIEW**

DEEPAK CHEMTEX LIMITED (formerly known as Deepak Chemtex Private Limited) is a limited company, incorporated on 10/06/1997 with the main object of manufacturing colourants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of preparation of Financial Statements:**

The Restated Standalone Statement of Assets and Liabilities as at March 31, 2021 and the Restated Consolidated Statement of Assets and Liabilities for the financial year ended on March 31, 2022, March 31, 2023 and Period ended as on September 30, 2023, the Restated Standalone Statements of Profit and Loss, the Restated Standalone Cash Flow Statement for the period ended March 31, 2021 and the Restated Consolidated Statements of Profit and Loss, the Restated Consolidated Cash Flow Statement for the financial years ended on March 31, 2022, March 31, 2023 and Period ended as on September 30, 2023 the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the company.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**B. BASIS OF CONSOLIDATION:**

There is consolidation for the Period/year ended 30<sup>th</sup> September, 2023, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 as the Company have Subsidiaries in respective year. Consolidation Procedure: As per AS 27 “Financial Reporting of Interests in Joint Ventures” issued by ICAI, the Proportionate consolidation is a method of accounting and reporting whereby a venture’s share of each of the assets, liabilities, income and expenses of a jointly controlled entity is reported as separate line items in the venture’s financial statements.

(a) Combine like items of assets, liabilities, equity, income, expenses of the Company with those of its jointly controlled entity in ratio of share of the company in jointly controlled entity.

(b) Offset (eliminate) the carrying amount of the company’s investment in jointly controlled entity and the company’s portion of equity of jointly controlled entity.

(c) Eliminate in full intra-entity assets and liabilities, equity, income, expenses relating to transactions between jointly controlled entity and company (profits or losses resulting from transactions that are recognized in assets, such as inventory and property, plant and equipment are eliminated in full).

**C. Use of Estimates**

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

**D. ACCOUNTING CONVENTION**

The Company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.



The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

### **1. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **Sale of Goods**

Sales of goods are recognized on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

#### **Interest Income**

Interest income is accrued on a time proportion basis, by reference to the principle outstanding and the effective interest rate applicable.

### **2. Property, Plant and Equipment**

a) Property, Plant and Equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;

b) Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use, as intended by the management;

c) Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;

d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;

e) Depreciation on fixed assets will be calculated using the Written Down Value (WDV) method, which involves applying depreciation rates prescribed under Schedule II to the Companies Act 2013. to the carrying amount of the asset. The carrying amount is reduced each year by the amount of depreciation charged.

f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;

### **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **4. INVENTORIES**

Inventories are valued after providing for obsolescence, as follows:

Raw Materials -Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

### **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

Defined-contribution plans:

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

The Group has made provision for payment of Gratuity to its employees. This Provision is made as per the method prescribed under the Payment of Gratuity Act. The cost of providing gratuity under this plan is determined on the basis of actuarial valuation at year end.

## **6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material or other products are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

## **7. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## **8. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognised for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

## **10. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 11. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## 13. SEGMENT REPORTING

The Company is having revenue; from its customers which are located outside India; of more than 10% of its total revenue.

Accordingly, as per AS-17 Segment Reporting, the company has identified geographic segment as its reportable segment.

The company has maintained records for cost of material consumed and other expenses incurred for manufacturing of goods in accounting system for all the products. However, the company manufactures the same products which are sold in Indian Market and outside India at similar cost of product manufacturing. Accordingly, the expenses incurred on export segment is not identifiable.

Similarly, Assets of outside India is identifiable to the extent of Continent Wise Outstanding Trade Receivables only.

However, revenue generated for the products varies on the basis of sale price of domestic sale and export sale.

Accordingly, we have disclosed geographic Segment Revenue and Segment Assets in table below for Domestic (India) and Export (Outside India): -

Particulars	Period ended 30 <sup>th</sup> September, 2023	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue including other Operating income</b>				
India	1,165.07	1983.92	3600.43	2248.32
Outside India				
1. Asia	-	221.15	120.33	60.87
2. Europe	113.33	214.01	523.63	234.04
3. North America	874.55	2242.38	912.47	232.68
4. South America	-	-	66.69	19.72
5. Africa	-	8.83	-	-
6. Australia	21.45	-	187.32	160.02
<b>Total</b>	<b>2174.40</b>	<b>4670.29</b>	<b>5410.87</b>	<b>2955.65</b>
<b>Carrying amount of Segment Assets (Trade Receivable)</b>				
India	700.17	347.98	567.27	405.66
Outside India				
7. Asia	0.53	0.53	-	8.83
8. Europe	10.45	158.25	15.29	18.36
9. North America	616.87	598.19	191.84	48.14
10. South America	-	-	20.05	-
11. Africa	-	8.83	-	-
12. Australia	-	-	49.77	37.14
<b>Total</b>	<b>1,328.02</b>	<b>1113.78</b>	<b>844.22</b>	<b>518.13</b>

#### 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

Details of Gratuity Expenses	Sept 30, 2023	2022-23	2021-22	2020-21
<b><u>Profit and loss account for the period</u></b>				
Current service cost	1.96	3.77	3.00	2.37
Interest on obligation	1.18	1.93	1.74	1.44
Expected return on plan assets	-	-	-	-
Net actuarial loss/(gain)	0.91	1.02	(2.17)	0.22
Recognized Past Service Cost-Vested	-	-	-	-
Benefits paid	-	(0.91)	-	-
Loss (gain) on curtailments	-	-	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>4.06</b>	<b>5.81</b>	<b>2.57</b>	<b>4.03</b>
prior year charge	-	-	-	-
<b>Total Charge to P&amp;L</b>	<b>4.06</b>	<b>5.81</b>	<b>2.57</b>	<b>4.03</b>
<b><u>Reconciliation of defined benefit obligation</u></b>				
Opening Defined Benefit Obligation	<b>31.55</b>	25.74	23.17	19.14
Transfer in/(out) obligation	-	-	-	-
Current service cost	1.96	3.77	3.00	2.37
Interest cost	1.18	1.93	1.74	1.44
Actuarial loss (gain)	0.91	1.02	(2.17)	0.22
Past service cost	-	-	-	-
Benefits paid	-	(0.91)	-	-
prior year charge	-	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>35.61</b>	<b>31.55</b>	<b>25.74</b>	<b>23.17</b>
<b><u>Table of experience adjustments</u></b>				
Defined Benefit Obligation	35.61	31.55	25.74	23.17
Plan Assets	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>(35.61)</b>	<b>(31.55)</b>	<b>(25.74)</b>	<b>(23.17)</b>
<b><u>Reconciliation of plan assets</u></b>				
Opening value of plan assets	-	-	-	-
Transfer in/(out) plan assets	-	-	-	-
Expenses deducted from the fund	-	-	-	-
Expected return	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
Closing value of plan assets	-	-	-	-
<b>Details of Gratuity Expenses</b>	<b>Sept 2023</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
<b><u>Reconciliation of net defined benefit liability</u></b>				
Net opening provision in books of accounts	31.55	25.74	23.17	19.14
-Transfer in/(out) obligation	-	-	-	-
Transfer (in)/out plan assets	-	-	-	-
Employee Benefit Expense	4.06	5.81	2.57	4.03
Benefits paid by the Company	-	-	-	-
Contributions to plan assets	-	-	-	-
<b>Closing provision in books of accounts</b>	<b>35.61</b>	<b>31.55</b>	<b>25.74</b>	<b>23.17</b>
<b><u>Bifurcation of liability</u></b>				
Current Liability	4.48	4.22	5.37	4.98
Non-Current Liability	31.13	27.33	20.37	18.19
<b>Net Liability</b>	<b>35.61</b>	<b>31.55</b>	<b>25.74</b>	<b>23.17</b>
<b><u>Principle actuarial assumptions</u></b>				
Discount Rate	7.25%	7.50%	7.50%	7.50%

Expected Return on Plan Assets	-	-	-	-
Salary Escalation Rate	5.00%	5.00%	5.00 %	5.00 %
Withdrawal Rates	5.00%	5.00%	5.00 %	5.00 %

## II. NOTES TO RESTATED SUMMARY STATEMENTS:

### 1. **Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for a contingent liability reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources.

### 2. **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Outstanding dues of Micro or Small-Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has disclosed the same as required by Schedule III to the Companies Act, 2013.

### 3. **Related Party Transactions**

Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure-XXVIII of the enclosed financial statements.

### 4. **Director's Remuneration:**

(Rs. In Lakhs)

Particulars	For the Year Ended			
		2022-23	2021-22	2020-21
	Consolidated	Consolidated	Consolidated	Standalone
Directors Remuneration	18.34	22.23	25.45	32.81
<b>Total</b>	<b>12.34</b>	<b>22.23</b>	<b>25.45</b>	<b>32.81</b>

### 5. **Auditors' Remuneration :**

(Rs. In Lakhs)

Particulars	For the Year Ended			
		2022-23	2021-22	2020-21
	Consolidated	Consolidated	Consolidated	Standalone
Statutory & Tax Audit fees	1.75	1.70	1.65	1.60
<b>Total</b>	<b>1.75</b>	<b>1.70</b>	<b>1.65</b>	<b>1.60</b>

6. Figures have been rearranged and regrouped wherever practicable and considered necessary.

7. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

8. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

### 9. **Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

### 10. **Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### 11. **Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

### 12. **Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements**

There have been no audit qualifications/observations in Statutory Auditor's Report for F.Y. 2020-21, 2021-22, 2022-23 and period ended as on 30<sup>th</sup> September, 2023 which requires adjustments in restated financial statements.

### 13. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

#### **RECONCILIATION OF RESTATED PROFIT:**

(Rs In Lakhs)

Adjustments for	For the Year Ended			
		2022-23	2021-22	2020-21
	Consolidated	Consolidated	Consolidated	Standalone
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	311.18	611.97	422.05	267.71
<b>Adjustments for:</b>				
Short/excess Provision of tax	-	-0.82	1.73	-0.92
Deferred Tax	-	-6.69	1.87	-1.21
Provision for Gratuity	-	25.74	-2.57	-4.03
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>311.18</b>	<b>630.20</b>	<b>423.10</b>	<b>263.47</b>

1. The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits
2. Due to changes in depreciation and gratuity provision the deferred tax component on the same has also undergone change.
3. Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years and Mat Credit Availed.

#### **RECONCILIATION OF EQUITY AND RESERVES:**

(Rs. In lakh)

Adjustments for	For the Year Ended			
		2022-23	2021-22	2020-21
	Consolidated	Consolidated	Consolidated	Standalone
Equity and Reserve as per Audited Balance sheet	1,879.90	1568.88	956.64	534.58
<b>Adjustments for:</b>				
Difference Due to Change in P&L	-	19.05	1.04	-3.74
Prior period Adjustments (Refer Note-1)	-	-18.20	-19.24	-14.33
<b>Equity and Reserve as per Re-stated Balance sheet</b>	<b>1,879.90</b>	<b>1569.73</b>	<b>938.43</b>	<b>516.51</b>

Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.

#### **Adjustments having impact on Profit:**

##### **Note: 1**

Amounts relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

#### **To give Explanatory Notes regarding Adjustments**

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018

**SHARE CAPITAL AS RESTATED  
ANNEXURE V**

(₹ In Lakhs, except no of shares)

Particulars	As at September	As at March 31,		
	2023	2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>EQUITY SHARE CAPITAL:</b>				
<b>AUTHORISED:</b>				
<b>1,10,00,000 Shares of Rs 10/- each</b>	1,100.00	-	-	-
50,000 Equity Shares of Rs. 100/- each	-	50.00	50.00	50.00
	1,100.00	50.00	50.00	50.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
<b>79,84,000 Equity Shares of Rs. 100/- each</b>	798.40	-	-	-
49,900 Equity Shares of Rs. 100/- each	-	49.90	49.90	49.90
	798.40	49.90	49.90	49.90

**1. Terms/rights attached to equity shares:**

i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/- Each holder of equity shares is entitled to one vote per share.

ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. Reconciliation of number of shares outstanding at the end of the year:	As at September	As at March 31,		
	2023	2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Equity Shares at the beginning of the year (FV of Rs 10/- each for Sept 2023 and FV of Rs 100/- Each for FY 2023, FY 2022 and FY 2021)	4,99,000.00	49,900.00	49,900.00	49,900.00
Add: Right issued during the year	-	-	-	-
Add: Bonus shares issued during the year	74,85,000	-	-	-
<b>TOTAL</b>	<b>79,84,000.00</b>	<b>49,900.00</b>	<b>49,900.00</b>	<b>49,900.00</b>

**4. Shareholders holding more than 5% of the aggregate shares of the company:**

Particulars	As at September, 2023	
	No. of share*	% of Holding
Mr. Saurabh Arora	71,37,552	89.40%
Mrs. Trishla Baid	7,98,400	10.00%
<b>Total</b>	<b>79,35,952</b>	<b>99.40%</b>

\*Face value of Rs 10/- Each

Particulars	As at March 31, 2023	
	No. of share	% of Holding
Saurabh Deepak Arora	44,910	90.00%
Trishla Baid	4,990	10.00%
<b>TOTAL</b>	<b>49,900</b>	<b>100.00%</b>

\*Face value of Rs 100/- Each

Particulars	As at March 31, 2022	
	No. of share	% of Holding
Saurabh Deepak Arora	44,910	90.00%
Trishla Baid	4,990	10.00%
<b>TOTAL</b>	<b>49,900</b>	<b>100.00%</b>

\*Face value of Rs 100/- Each

Particulars	As at March 31, 2021	
	No. of share	% of Holding
Saurabh Deepak Arora	44,910	90.00%
Trishla Baid	4,990	10.00%
<b>TOTAL</b>	<b>49,900</b>	<b>100.00%</b>

\*Face value of Rs 100/- Each

**4. Change in the Shareholding of the Promoters:**

Particulars	As at September, 2023		
	No. of share	% of Holding	Change of % During the year
Mr. Saurabh Arora	71,37,552	89.40%	-0.67%
Mrs. Trishla Baid	7,98,400	10.00%	0.00%
<b>Total</b>	<b>79,35,952</b>	<b>99.40%</b>	<b>-0.67%</b>

Particulars	As at March 31, 2023		
	No. of share	% of Holding	Change of % During the year
Saurabh Deepak Arora	44,910	90.00%	-
Trishla Baid	4,990	10.00%	-
<b>TOTAL</b>	<b>49,900</b>	<b>100.00%</b>	<b>-</b>

Particulars	As at March 31, 2022		
	No. of share	% of Holding	Change of % During the year
Saurabh Deepak Arora	44,910	90.00%	-
Trishla Baid	4,990	10.00%	-
<b>TOTAL</b>	<b>49,900</b>	<b>100.00%</b>	<b>-</b>

Particulars	As at March 31, 2021		
	No. of share	% of Holding	Change of % During the year
Saurabh Deepak Arora	44,910	90.00%	-
Trishla Baid	4,990	10.00%	-
<b>TOTAL</b>	<b>49,900</b>	<b>100.00%</b>	<b>-</b>

**RESERVE & SURPLUS AS RESTATED  
ANNEXURE VI**

(₹ in Lakhs)

Particulars	As at September, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Capital Reserve	20.00	20.00	20.00	20.00
Addition/(Deletion)	-	-	-	-
Closing Balance of Capital Reserve (A)	20.00	20.00	20.00	20.00
Securities Premium	26.58	26.58	26.58	26.58
Addition/(Deletion)	-26.58	-	-	-
Closing Balance of Securities Premium (B)	-	26.58	26.58	26.58
Foreign Currency Translation Reserve	-	-	-	-
Addition/(Deletion)	0.01	-	-	-
Closing Balance Of Securities Premium (C)	0.01	-	-	-
Surplus: -				
<b>Opening Balance</b>	<b>1,472.40</b>	<b>841.92</b>	<b>420.03</b>	<b>170.89</b>
Add: Profit/(Loss) for the year	311.18	631.02	421.89	263.47
Less: Gratuity for the Previous Year	-	-	-	-19.14
Add: Deferred Tax on Above	-	-	-	4.82
Less: Utilised for issue of Bonus Share	-721.92			
Add : Share of Minority Interest	0.17	(0.27)	(0.03)	-
<b>Closing Balance of Surplus</b>	<b>1,061.49</b>	<b>1,473.25</b>	<b>841.95</b>	<b>420.03</b>
<b>TOTAL (A+B+C)</b>	<b>1,081.50</b>	<b>1,519.83</b>	<b>888.53</b>	<b>466.61</b>



**LONG TERM BORROWING AS RESTATED  
ANNEXURE VII**

(₹ in Lakhs)

Particulars	As at September	As at March 31,		
	2023	2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>Secured</b>				
<u>Bank Loan</u>	4.87	5.54	35.67	36.72
Less: Current Maturities	4.87	1.29	8.28	6.02
<b>GRAND TOTAL (A+B)</b>	-	<b>4.25</b>	<b>27.39</b>	<b>30.71</b>

The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in annexure VII(A) and VII(B)

**STATEMENT OF PRINCIPAL TERMS OF SECURED & UNSECURED LOANS AND ASSETS CHARGED AS SECURITY  
ANNEXURE VII(A)**

(₹ in Lakhs)

**Secured Loans**

Sr. No.	Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	31st March, 2023	31st March, 2022	31st March, 2021
1	Punjab National Bank	Purchase of Machinery	40.00	Repo rate + Markup (2.65%) + 1.15%	Machinery to be Purchased	Rs. 0.72 Lakhs per month	-	-	26.32	31.79
2	HDFC Bank	Vehicle Loan	10.89	8.80%	Hypothecation of Vehicle	Rs 0.23 Lakhs per month	-	-	2.58	4.93
3	Axis Bank	Vehicle Loan	7.26	9.50%	Hypothecation of Vehicle	Rs 0.15 Lakhs per month	-	5.54	6.78	-
4	Punjab National Bank	Overdraft	360.00	Repo rate + Markup (2.65%) + 1.15%	Refer Note 1	Rs. 3.00 Lakhs per month	-		41.97	67.89
<b>TOTAL</b>								<b>5.54</b>	<b>77.64</b>	<b>104.62</b>

**ANNEXURE VII(B)**

**FROM DIRECTORS & SHARE HOLDER**

Sr. No.	Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	31st March, 2023	31st March, 2022	31st March, 2021
1	Saurabh Deepak Arora	Business loan	0.00%	Repayable on Demand	131.25	118.55	50.19
<b>TOTAL</b>					<b>131.25</b>	<b>118.55</b>	<b>50.19</b>

**FROM OTHERS**

Sr. No.	Name of Lender	Purpose	Rate of Interest	Re-Payment Schedule	31st March, 2023	31st March, 2022	31st March, 2021
1	Bina Silk Mills	Business loan	0.00%	Repayable on Demand	-	3.21	3.21
2	Vijay Narula	Business loan	0.00%	Repayable on Demand	-	0.10	0.10
<b>TOTAL</b>					<b>-</b>	<b>3.31</b>	<b>3.31</b>

**Note 1**

**Property Mortgage:**

1. Land and Building of factory situated at Survey no. 28/1A, Mauje awashi, Lote MIDC, Taluka Khed, Ratnagiri.
2. Flat No. 1101 & 1102, 11th floor, Kedarnath Tower, opp. JP Road, Versova, Andheri West, Mumbai -400061.

**Personal Guarantee:**

1. Saurabh Deepak Arora
2. Trishla Baid

**DEFERRED TAX LIABILITIES/ (ASSETS) AS RESTATED  
ANNEXURE VIII**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>Tax Effect of item constitution deferred</b>				
<b>Deferred tax liability/ Deferred Tax Assets</b>				
WDV as per Income Tax Act	508.45	348.67	294.11	233.69
Gratuity	-	-	-	-
Total Tax Base	508.45	348.67	294.11	233.69
WDV as per Companies Act	505.05	353.44	312.22	264.68
Gratuity	-35.61	-31.55	-25.74	-23.18
Total WDV as per Companies Act	469.44	321.89	286.48	241.51
<b>Timing Difference</b>	39.00	26.78	7.63	-7.82
Deferred Tax Income	3.08	4.76	5.22	1.57
Add/(Less) : Opening Balance	6.74	1.98	-3.24	-3.60
Closing Balance	9.82	6.74	1.98	-2.03
<b>Nature of Deferred Tax</b>	DTA	DTA	DTA	DTL
<b>TOTAL</b>	<b>-9.82</b>	<b>-6.74</b>	<b>-1.98</b>	<b>2.03</b>

**LONG TERM PROVISIONS  
ANNEXURE IX**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Provision for Gratuity	31.13	27.33	20.37	18.19
<b>TOTAL</b>	<b>31.13</b>	<b>27.33</b>	<b>20.37</b>	<b>18.19</b>

**SHORT TERM BORROWING AS RESTATED  
ANNEXURE X**

(₹ in Lakhs)

Particulars	As at September 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>I. Secured Loan</b>				
Over Draft Facilities	-	-	41.96	67.89
Current Maturities of Long Term Loan	4.87	1.29	8.28	6.02
<b>II. Unsecured Loan</b>				
From Director	115.91	131.25	118.55	50.19
From Other	-	-	3.31	3.31
<b>TOTAL</b>	<b>120.78</b>	<b>132.55</b>	<b>172.10</b>	<b>127.41</b>

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in annexure VII(A) and VII(B).

**TRADE PAYABLES AS RESTATED  
ANNEXURE XI**

(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
For Micro, small & medium enterprises	76.37	224.22	296.84	264.37
For Goods(Other)	499.14	201.90	83.66	59.99
<b>TOTAL</b>	<b>575.51</b>	<b>426.12</b>	<b>380.50</b>	<b>324.37</b>

1. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

2. For Trade Payable Aging see Annexure XI(A).

**AGEING ANALYSIS OF TRADE PAYABLES AS RESTATED  
ANNEXURE XI(A)**

(₹ in Lakhs)

Sr. No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
	<b>As at 31st March, 2023</b>					
1	MSME	58.62	2.63	1.37	13.75	76.37
2	Others	492.07	2.12	-	4.95	499.14
3	Disputed dues – MSME					-
4	Disputed dues - Others					-
						575.51
	<b>As at 31st March, 2023</b>					
1	MSME	207.00	3.47	7.00	6.75	224.22
2	Others	195.09	3.27	2.87	0.68	201.90
3	Disputed dues – MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
						426.12
	<b>As at 31st March, 2022</b>					
1	MSME	283.09	6.97	-	6.78	296.84
2	Others	80.11	2.87	-	0.68	83.66
3	Disputed dues – MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
						380.50
	<b>As at 31st March, 2021</b>					
1	MSME	257.45	-	0.01	6.91	264.37
2	Others	59.31	-	0.36	0.32	59.99
3	Disputed dues – MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
						324.37

**OTHER CURRENT LIABILITES AS RESTATED  
ANNEXURE XII**

(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Advance from customer	10.42	23.96	23.18	19.82
Other payables	25.07	23.46	21.00	13.62
Creditors for expenses	86.82	69.50	107.78	46.86
<b>TOTAL</b>	<b>122.31</b>	<b>116.92</b>	<b>151.96</b>	<b>80.31</b>

**SHORT TERM PROVISION AS RESTATED  
ANNEXURE XIII**

(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>Provisions :</b>				
Provision for Gratuity	4.48	4.22	5.37	4.98
Provisions for Expenses	4.21	6.81	5.63	2.73
Income Tax Provisions (Net of Advance Tax) For FY 2021-22	-	-	12.45	-
Income Tax Provisions (Net of Advance Tax) For FY 2022-23	18.87	93.71	-	-
Income Tax Provisions (Net of Advance Tax) For FY 2023-24	62.56	-	-	-
<b>Closing Balance</b>	<b>90.11</b>	<b>105.55</b>	<b>23.45</b>	<b>7.72</b>

**(2020-21) SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS AS ON 31ST MARCH, 2021**  
**ANNEXURE XIV**

(₹ in Lakhs)

Sr. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As on 1.04.2020	Addition	Deletion	As At 31-03-2021	Upto 31-03-2020	For the Year	Sold during the year	Upto 31-03-2021	As At 31-03-2021	As At 31-03-2020
1	Plant and machinery	379.23	49.06	-	428.30	185.85	43.88	-	229.73	198.57	193.39
2	Building	59.95	11.89	-	71.84	31.28	3.85	-	35.13	36.71	28.68
3	Furniture & Fittings	41.56	1.69	-	43.25	24.84	4.76	-	29.61	13.64	16.72
4	Office Equipment	20.34	1.36	-	21.70	16.37	0.97	-	17.34	4.37	3.97
5	Computers	8.14	1.19	-	9.33	7.02	1.46	-	8.48	0.85	1.12
6	Vehicles	12.59	-	-	12.59	5.12	2.33	-	7.45	5.13	7.47
7	Land	5.41	-	-	5.41	-	-	-	-	5.41	5.41
	<b>TOTAL</b>	<b>527.23</b>	<b>65.19</b>	<b>-</b>	<b>592.42</b>	<b>270.48</b>	<b>57.26</b>	<b>-</b>	<b>327.74</b>	<b>264.68</b>	<b>256.75</b>

**(2021-22) SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS AS ON 31ST MARCH, 2022**

Sr. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As on 1.04.2021	Addition	Deletion	As At 31-03-2022	Upto 31-03-2021	For the Year	Sold during the year	Upto 31-03-2022	As At 31-03-2022	As At 31-03-2021
1	Plant and machinery	428.30	61.42	-	489.71	229.73	41.55	-	271.28	218.43	198.57
2	Building	71.84	6.66	-	78.50	35.13	3.68	-	38.81	39.69	36.71
2	Furniture & Fittings	43.25	2.88	-	46.13	29.61	3.75	-	33.36	12.77	13.64
3	Office Equipment	21.70	8.24	-	29.94	17.34	1.97	-	19.31	10.63	4.37
4	Computers	9.33	1.21	-	10.54	8.48	0.94	-	9.43	1.12	0.85
5	Vehicles	12.59	6.40	-	18.99	7.45	2.36	-	9.81	9.18	5.13
6	Land	5.41	-	-	5.41	-	-	-	-	5.41	5.41
	<b>TOTAL</b>	<b>592.42</b>	<b>86.81</b>	<b>-</b>	<b>679.23</b>	<b>327.74</b>	<b>54.27</b>	<b>-</b>	<b>382.00</b>	<b>297.22</b>	<b>264.68</b>

**(2022-23) SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS AS ON 31ST MARCH, 2023**

Sr. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As on 1.04.2022	Addition	Deletion	As At31-03-2023	Upto 31-03-2022	For the Year	Sold during the year	Upto 31-03-2023	As At31-03-2023	As At31-03-2022
1	Plant and machinery	489.71	76.60	-	566.31	271.28	48.77	-	320.05	246.26	218.43
2	Building	78.50	30.75	-	109.24	38.81	4.15	-	42.97	66.28	39.69
3	Furniture & Fittings	46.13	9.81	-	55.94	33.36	3.41	-	36.77	19.17	12.77
4	Office Equipment	29.94	4.91	-	34.85	19.31	5.95	-	25.26	9.60	10.63
5	Computers	10.54	-	-	10.54	9.43	0.71	-	10.13	0.41	1.12
6	Vehicles	18.99	-	9.81	9.18	9.81	2.87	-	12.68	-3.50	9.18
7	Land	5.41	83.25	-	88.66	-	-	-	-	88.66	5.41
	<b>TOTAL</b>	<b>679.23</b>	<b>205.32</b>	<b>9.81</b>	<b>874.73</b>	<b>382.00</b>	<b>65.85</b>	<b>-</b>	<b>447.86</b>	<b>426.88</b>	<b>297.22</b>
1	Capital WIP	-	-	-	-	-	-	-	-	-	-
2	Building	-	9.39	-	9.39	-	-	-	-	9.39	-
	<b>TOTAL</b>	<b>744.11</b>	<b>302.88</b>	<b>19.63</b>	<b>1,027.36</b>	<b>420.55</b>	<b>75.37</b>	<b>-</b>	<b>495.93</b>	<b>531.43</b>	<b>323.56</b>

**AGEING OF CAPITAL WORK IN PROGRESS AS AT 31ST MARCH, 2023**

Sr. No.	Particulars	Amount in Capital Work In Progress for a period of				
		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(a)	<b>Building under Construction</b>					
	Add : Addition During the year	9.39	-	-	-	9.39
	<b>TOTAL</b>	<b>9.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.39</b>

**(2022-23) SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS AS ON 30TH SEPT, 2023**

Sr No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As on 1-04-2023	Addition	Deletion	As on 30-09-2023	Upto 31-03-2022	For the Year	Sold during the year	Upto 31-03-2023	As At 30-09-2023	As At 31-03-2023
1	Plant and machinery	566.31	100.99	6.00	661.30	320.05	26.75	-	346.80	314.50	246.26
2	Building	109.24	-	-	109.24	42.97	3.16	-	46.12	63.12	66.28
3	Furniture & Fittings	55.94	0.13	-	56.07	36.77	2.49	-	39.26	16.80	19.17
4	Office Equipment	34.85	9.90	-	44.76	25.26	3.35	-	28.61	16.15	9.60
5	Computers	10.54	0.26	-	10.81	10.13	0.18	-	10.31	0.50	0.41
6	Vehicles	18.99	-	-	18.99	12.68	0.99	-	13.67	5.32	6.31
7	Land	88.66	-	-	88.66	-	-	-	-	88.66	88.66
	<b>TOTAL</b>	<b>884.55</b>	<b>111.28</b>	<b>6.00</b>	<b>989.83</b>	<b>447.86</b>	<b>36.92</b>	<b>-</b>	<b>484.77</b>	<b>505.05</b>	<b>436.69</b>
	Capital WIP										
1	Building	9.39	48.49	-	57.88	-	-	-	-	57.88	9.39
	<b>TOTAL</b>	<b>1,046.99</b>	<b>169.94</b>	<b>6.00</b>	<b>1,210.92</b>	<b>495.93</b>	<b>41.43</b>	<b>-</b>	<b>537.36</b>	<b>673.57</b>	<b>551.06</b>

Ageing of Capital Work In Progress as at 31st March,2023:-						
Sr. No.	Particulars	Amount in Capital Work In Progress for a period of				
		Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
(a)	<b>Building under Construction</b>	48.49	9.39	-	-	57.88
	Add : Addition During the year	-	-	-	-	-
	Less: Transferred to Building Construction	-	-	-	-	-
	Add : ICDS - Capitalization of Interest Cost	-	-	-	-	-
	<b>Total</b>	<b>48.49</b>	<b>9.39</b>	<b>-</b>	<b>-</b>	<b>57.88</b>

**LONG TERM LOANS & ADVANCES  
ANNEXURE XV**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>Unsecured Considered Good</b>				
Security deposits	26.62	26.42	19.22	16.41
<b>TOTAL</b>	<b>26.62</b>	<b>26.42</b>	<b>19.22</b>	<b>16.41</b>

**INVENTORIES AS RESTATED  
ANNEXURE XVI**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
a. Raw Materials and components	274.80	176.44	158.39	147.59
b. Finished goods	160.73	242.55	42.84	68.60
c. Stores, Spares and packing materials	61.19	10.38	14.18	2.27
<b>TOTAL</b>	<b>496.72</b>	<b>429.38</b>	<b>215.41</b>	<b>218.46</b>

**TRADE RECEIVABLES AS RESTATED  
ANNEXURE XVII**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>(Unsecured considered good)</b>				
(a) Debts over six months	29.91	19.50	5.27	32.44
(b) Debts Less than six months	1,298.11	1,094.29	838.95	485.69
<b>TOTAL</b>	<b>1,328.02</b>	<b>1,113.79</b>	<b>844.22</b>	<b>518.13</b>

For Trade Receivable Aging see annexure XVII(A)

**AGEING ANALYSIS OF TRADE RECEIVABLES AS RESTATED  
ANNEXURE XVII(A)**

(₹ in Lakhs)

Sr. No	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 Month	6 Month to 1 Year	1 to 2 years	2 to 3 years	More than 3 years	
	As at 30th Sept, 2023						
1	Undisputed Trade Receivables-considered good	1,298.11	24.86	-	-	5.06	1,328.02
2	Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
3	Disputed Trade Receivables-considered good	-	-	-	-	-	-
4	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
							1,328.02
	<b>As at 31st March, 2023</b>						



1	Undisputed Trade Receivables-considered good	1,094.29	12.07	2.38	4.56	0.50	1,113.79
2	Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
3	Disputed Trade Receivables-considered good	-	-	-	-	-	-
4	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
							<b>1,113.79</b>
	<b>As at 31st March, 2022</b>						
1	Undisputed Trade Receivables-considered good	838.95	0.22	4.56	-	0.50	844.22
2	Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
3	Disputed Trade Receivables-considered good	-	-	-	-	-	-
4	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
							<b>844.22</b>
	<b>As at 31st March, 2021</b>						
1	Undisputed Trade Receivables-considered good	485.69	31.94	-	-	0.50	518.13
2	Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
3	Disputed Trade Receivables-considered good	-	-	-	-	-	-
4	Disputed Trade Receivables-considered doubtful	-	-	-	-	-	-
							<b>518.13</b>

**CASH & CASH EQUIVALENTS AS RESTATED  
ANNEXURE XVIII**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Cash in Hand	5.68	4.45	0.68	0.83
Balance with Schedule Banks in current account	180.48	79.38	28.63	2.87
Fixed Deposit with Bank	36.99	16.49	12.93	12.93
<b>TOTAL</b>	<b>223.15</b>	<b>100.31</b>	<b>42.24</b>	<b>16.63</b>

**SHORT TERM LOANS & ADVANCES AS RESTATED  
ANNEXURE XIX**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
(Unsecured considered good)				
Advances recoverable in cash or in kind or for value to be received	-	-	-	-
Advances to Suppliers	41.34	29.98	40.33	21.72
Advance to employee	4.36	1.32	6.35	7.40
<b>TOTAL</b>	<b>45.69</b>	<b>31.30</b>	<b>46.68</b>	<b>29.12</b>

**OTHER CURRENT ASSETS AS RESTATED  
ANNEXURE XX**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
GST (ITC Balance)	102.69	220.67	241.48	37.10
Income Tax Refund Receivable	6.97	7.63	6.71	6.71
Prepaid Expenses	17.18	-	-	-
Preliminary Expenses	0.85	-	-	-
<b>TOTAL</b>	<b>127.69</b>	<b>228.30</b>	<b>248.19</b>	<b>43.81</b>

**REVENUE FROM OPERATIONS AS RESTATED  
ANNEXURE XXI**

(₹ in Lakhs)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Revenue from operation	2174.40	4670.29	5,410.87	2,955.66
<b>TOTAL</b>	<b>2174.40</b>	<b>4,695.43</b>	<b>5,410.87</b>	<b>2,955.66</b>

**OTHER INCOME AS RESTATED  
ANNEXURE XXII**

(₹ in Lakhs)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
VAT Refund	-	-	-	4,09,637.00
Other Miscellaneous Income	-	-	-	8,000.00
Balances Written off	-	3,20,700.00	-	-
Duty Drawback	15,39,236.20	56,36,049.70	20,53,679.00	9,07,807.00
Interest Income	4,27,890.00	5,80,925.00	1,781.00	61,020.00
Govt Subsidy	8,95,000.00	8,99,629.00	44,832.00	35,379.00
Sale of Scrap		21,082.00	1,57,750.00	2,755.16
Discount Received	2,808.00	4,657.00	4,533.00	-
Exchange Fluctuation Gain	9,89,246.97	38,79,967.55	10,18,483.58	2,84,172.28
<b>TOTAL</b>	<b>38,54,181.17</b>	<b>1,13,43,010.25</b>	<b>32,81,058.58</b>	<b>17,08,770.44</b>

**COST OF RAW MATERIAL CONSUMED AS RESTATED  
ANNEXURE XXIII**

(Amount in ₹)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
		Consolidated	Consolidated	Standalone
Opening stock	1,76,44,194.94	1,58,38,805.00	1,47,59,383.03	1,38,46,643.00
Add: Purchase of Raw & Packing Material	11,40,48,267.76	26,96,40,188.78	32,65,07,696.00	14,65,50,028.20
	13,16,92,462.70	28,54,78,993.78	34,12,67,079.03	16,03,96,671.20
Add: Freight Charges	4,74,438.00	3,31,534.00	3,85,777.74	
Less closing stock (Raw material)	2,74,80,290.57	1,76,44,194.94	1,58,38,805.00	1,47,59,383.03
<b>Cost of Raw Material Consumed</b>	<b>10,46,86,610.13</b>	<b>26,81,66,332.84</b>	<b>32,58,14,051.77</b>	<b>14,56,37,288.17</b>
<b>TOTAL</b>	<b>10,46,86,610.13</b>	<b>26,81,66,332.84</b>	<b>32,58,14,051.77</b>	<b>14,56,37,288.17</b>

**PURCHASE OF STOCK IN TRADE  
ANNEXURE XXIV**

(Amount in ₹)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
		Consolidated	Consolidated	Standalone
Purchase of Stock In Trade	2,08,89,414.00	4,17,78,828.00	4,64,20,920.00	3,78,16,430.00
<b>TOTAL</b>	<b>2,08,89,414.00</b>	<b>4,17,78,828.00</b>	<b>4,64,20,920.00</b>	<b>3,78,16,430.00</b>

**CHANGES IN INVENTORIES OF FINISHED GOODS  
ANNEXURE XXV**

(Amount in ₹)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
		Consolidated	Consolidated	Standalone
<b>Opening Inventory</b>				
Finished Goods	10,38,008.18	14,17,655.01	68,59,910.69	58,88,308.00
Consumables	2,42,55,431.47	42,84,479.00	2,26,992.96	4,08,946.00
Sub Total	2,52,93,439.65	57,02,134.01	70,86,903.65	62,97,254.00
Less: Closing Stock: Consumables	61,18,774.70	10,38,008.18	14,17,655.01	2,26,993.00
Less: Closing Stock: Finished Goods	1,60,73,120.85	2,42,55,431.47	42,84,479.00	68,59,910.69
Sub Total	2,21,91,895.55	2,52,93,439.65	57,02,134.01	70,86,903.69
<b>TOTAL</b>	<b>31,01,544.10</b>	<b>-1,95,91,305.64</b>	<b>13,84,769.64</b>	<b>-7,89,649.69</b>

**EMPLOYEE BENEFITS EXPENSE AS RESTATED  
ANNEXURE XXVI**

(Amount in ₹)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
		Consolidated	Consolidated	Standalone
Salaries, Wages & Bonus	1,17,66,614.22	1,83,04,940.65	1,58,77,186.41	1,23,51,002.42
Contribution to PF & Other Funds	2,05,665.00	-	-	20,999.00
Gratuity	83,500.00	31,55,113.00	-	-
Rent For Employees	5,55,813.97	90,000.00	84,000.00	1,52,350.00
Director Remuneration	12,00,000.00	22,22,802.00	25,45,448.00	32,81,000.00
Staff Welfare Expenses	2,77,557.00	10,79,061.78	8,01,599.17	6,80,428.17
<b>TOTAL</b>	<b>1,40,89,150.19</b>	<b>2,48,51,917.43</b>	<b>1,93,08,233.58</b>	<b>1,64,85,779.59</b>

**FINANCE COST AS RESTATED  
ANNEXURE XXVII**

(Amount in ₹)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
<b>Interest Expense:</b>				
<b>On Borrowings From:</b>				
Banks	26,837.00	3,16,656.27	6,79,035.00	5,21,169.23
Others	-	70,000.00	1,06,200.00	14,713.00
Bank Charges including processing fees	2,98,552.95	2,95,233.30	1,60,786.00	2,32,072.42
<b>TOTAL</b>	<b>3,25,389.95</b>	<b>6,81,889.57</b>	<b>9,46,021.00</b>	<b>7,67,954.65</b>

**DEPRECIATION AS RESTATED  
ANNEXURE XXVIII**

(Amount in ₹)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Depreciation as per Note	36,91,500.67	65,85,347.62	54,26,631.00	57,25,921.99
<b>TOTAL</b>	<b>36,91,500.67</b>	<b>65,85,347.62</b>	<b>54,26,631.00</b>	<b>57,25,921.99</b>

**OTHER EXPENSES AS RESTATED  
ANNEXURE XXIX**

(₹ in Lakhs)

Particulars	For the period ended on September 30, 2023	For the year ended March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
Auditors Remuneration (Note i)	95,000.00	1,70,000.00	1,65,000.00	1,60,000.00
Business Promotion	1,06,760.00	3,91,331.36	27,01,311.00	7,83,103.77
Bad Debts	-	-	-	5,23,872.35
Freight Charges	41,41,230.65	2,13,13,657.43	1,86,71,410.00	60,82,214.35
Commission paid	71,000.00	1,29,713.00	24,000.00	3,66,745.00
Custom Clearing Charges	26,04,832.01	26,84,670.39	20,95,620.16	16,43,279.18
Custom Duty on Import	13,08,154.30	34,84,755.10	42,94,196.32	13,76,040.30
Detention charges donation	-		-	1,28,455.20
Discount Allowed			8,36,342.62	18,10,380.25
Electricity Charges - Factory	23,67,330.00	40,85,115.68	43,00,854.43	25,85,360.00
Electricity Charges-Office	5,550.00	1,82,202.54	1,90,380.14	90,306.50
Employees Training Expenses		9,600.00	1,58,600.00	82,800.00
Environmental Protection Expenses	12,59,925.21	30,46,433.96	25,34,754.00	64,74,857.85
Factory expenses	3,93,926.85	4,47,037.86	3,98,833.00	2,77,883.70
Gardening Expenses	16,200.00	2,08,550.00	5,99,490.00	2,35,865.00
GST Reversal			-	11,32,067.00
Insurance	70,720.00	61,478.97	1,81,581.26	75,028.64
Interest on Income Tax		70,077.17	7,142.00	1,90,263.00
Laboratory Expenses & Testing Charges	1,22,914.50	3,00,938.84	1,73,917.70	63,059.90
Labour Charges	28,76,865.00	51,40,954.80	58,07,450.05	37,89,309.58
Legal, Professional, Consultancy Charges	1,63,881.00	5,02,522.00	2,82,838.60	83,672.00
membership fees		18,000.00	6,500.00	-
Municipal Tax			-	81,500.00
Motor car Expenses	25,125.00	67,140.00	26,888.00	65,871.48

Office Maintenance Expenses	79,522.54	2,58,806.48	3,87,657.00	3,61,557.18
Postage & Courier	1,87,513.57	5,31,440.62	5,40,562.66	2,59,212.83
Printing & Stationery	1,14,010.50	3,06,956.70	1,32,066.90	1,37,526.33
Packing Charges	7,929.00	16,941.00	11,526.00	-
Rates, Taxes & Fees	16,097.00	1,52,335.10	1,59,053.00	81,045.00
Rent	13,21,725.00	21,11,500.00	16,81,000.00	12,18,628.00
Refreshment Charges	32,326.00			
Repairs & Maintenance-Plant & Factory Bldg.	19,43,906.03	23,81,205.38	1,11,19,166.57	46,08,846.59
Stores, Spares & Packing Materials Consumed	1,16,15,333.83	2,34,03,928.35	2,54,77,155.02	1,61,93,350.59
Shipping Line Charges	-	39,702.00	92,809.84	1,94,178.33
Telephone Charges	14,626.46	18,472.54	39,866.19	30,937.46
Travelling & Conveyance	13,61,008.66	7,29,719.55	34,01,106.30	18,77,548.94
Vat Expenses			2,24,724.00	-
Water Charges	8,46,646.00	19,07,462.00	17,06,830.00	15,32,816.00
Security Charges	26,655.02			
MIDC Charges	40,327.80			
<b>TOTAL</b>	<b>3,32,37,041.93</b>	<b>7,41,70,888.56</b>	<b>8,84,43,691.07</b>	<b>5,45,97,582.30</b>

**CONTINGENT LIABILITIES AS RESTATED  
ANNEXURE XXX**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31,		
		2023	2022	2021
	Consolidated	Consolidated	Consolidated	Standalone
In respect of Bank Guarantee Given to MPCB	16.49	16.49	12.93	12.93
In respect of TDS & Income Tax matters	1.78	1.78	1.78	1.73
<b>TOTAL</b>	<b>18.27</b>	<b>18.27</b>	<b>14.71</b>	<b>14.66</b>

**RELATED PARTY DISCLOSURES  
ANNEXURE -XXXI**

(i) Names of the related party and nature of relationship where control/significant influence exists

**Key management personnel (KMP) and their close members of family**

Name of the related party	Nature of relationship
<b>Key Management Personnel</b>	
Saurabh Deepak Arora	Chairman and Managing Director
Trishla Baid	Whole Time Director & CFO
Rajesh Kalikaprasad Tiwari	Executive Director

(ii) Entity controlled or jointly controlled by a person identified in (i) above

Entity controlled or jointly controlled by a person identified in (i) above

- DCPL Speciality Chemicals Pvt Ltd
- Speciality Colours & Chemicals LLP
- South West Chemicals Corporation

(iii) Details of transactions with related parties and balances

Name	Relationship	Nature of transaction	30 Sept 2023	31 March 2023	31 March 2022	31 March 2021
			Consolidated	Consolidated	Consolidated	Standalone
Saurabh Arora	Chairman and Managing Director	Remuneration	6.00	10.28	14.70	13.62
		Loans & Advance Received	0.68	27.90	87.79	49.00

		Loans & Advance Repaid	16.03	0.00	19.43	50.55
		Closing Balance Receivable/(Payable)	-115.91	-131.25	-103.35	-34.99
Trishla Baid	Whole Time Director & CFO	Remuneration	6.00	11.95	10.76	19.19
Rajesh Tiwari	Director	Remuneration	6.34	12.84	5.12	-
Speciality Colours & Chemicals LLP	Entity controlled or jointly controlled by a person identified in (i) above	Sales	0.44	16.64	21.39	-
(ii) Entity controlled or jointly controlled by a person identified in (i) above	Subsidiary	Sales	28.24	-	-	-
		Loan Given	104.27	64.22	25.00	-
		Closing Balance Receivable/(Payable)	184.49	89.22	25.00	-
South West Chemicals Corporation	Wholly owned Subsidiary	Sales	99.23	0.00	0.00	-
		Loan Given	0.02	0.00	0.00	-
		Closing Balance Receivable/(Payable)	0.02	0.00	0.00	-

**STATEMENT OF TAX SHELTERS  
ANNEXURE -XXXII**

(₹ in Lakhs)

Particulars	As at September, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
	Consolidated	Consolidated	Consolidated	Standalone
Restated Profit before tax (A)	412.74	843.03	563.67	366.30
Tax Rate (%)	25.17%	25.17%	25.17%	27.82%
MAT Rate	15.60%	15.60%	15.60%	16.69%
<b>Adjustments :</b>				
Gratuity	0.84	5.81	2.57	4.03
Provident Fund	-	-	-	0.23
Depreciation as per CA act, 2013	36.92	65.85	54.27	57.26
Interest on Late payment of Income tax & TDS	-	-	0.17	1.97
<b>Total Permanent Differences(B)</b>	<b>37.75</b>	<b>71.66</b>	<b>57.00</b>	<b>63.49</b>
<b>Timing Differences (C)</b>				
Gratuity	-	0.91	-	-
Depreciation as per Income Tax act	34.75	52.51	41.39	56.16
<b>Total Timing Differences (C)</b>	<b>34.75</b>	<b>53.41</b>	<b>41.39</b>	<b>56.16</b>
<b>Income consider in Other Income (E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.13</b>
<b>Net Adjustments F = (B+C+D+E)</b>	<b>3.00</b>	<b>18.25</b>	<b>15.61</b>	<b>7.20</b>
Interest Income	-	-	-	0.13
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.13</b>
<b>Gross Total Income</b>	<b>415.74</b>	<b>861.28</b>	<b>579.28</b>	<b>373.63</b>
Less: Deduction u/s 80 G	-	-	-	-
Taxable Income/(Loss) (A+D)	415.74	861.28	579.28	373.63
<b>Restated Profit for The Purpose of MAT</b>	<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>
<b>Less: Adjustment related to Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Add: Amounts Written Back</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Taxable Income/(Loss) as per MAT</b>	<b>412.74</b>	<b>843.03</b>	<b>563.67</b>	<b>366.30</b>

<b>Income Tax as returned/computed</b>	104.63	216.77	145.79	103.94
<b>Tax paid as per normal or MAT</b>	Income Tax	Income Tax	Income Tax	Income Tax

**CAPITALISATION STATEMENT AS AT 31ST MARCH, 2023  
ANNEXURE -XXXIII**

(₹ in Lakhs)

Particulars	Consolidated	
	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	120.78	120.78
Long Term Debt (B)	-	-
<b>Total debts (C)</b>	<b>120.78</b>	<b>120.78</b>
<b>Shareholders' funds</b>		
Equity share capital	798.40	*
Reserve and surplus - as restated	1,081.50	*
<b>Total shareholders' funds</b>	<b>1,879.90</b>	*
<b>Long term debt / shareholders' funds</b>	0.00	*
<b>Total debt / shareholders' funds</b>	0.06	*

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.

**A. RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS  
ANNEXURE XXXIV (A)**

Particulars	Period ended 30.09.2023	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
	Consolidated	Consolidated	Consolidated	Standalone
EBITDA	411.38	799.32	592.98	411.84
Net Profit as Restated	311.18	631.02	423.10	263.47
Net Worth	1,879.90	1,569.73	938.43	516.51
Return on Net worth (%)	16.55%	40.20%	45.09%	51.01%
Equity Share at the end of year (in Nos.) (Face Value Rs. 10)	79,84,000	4,99,000	4,99,000	4,99,000
Number of Equity Share outstanding as on the End of Year	79,84,000	4,99,000	4,99,000	4,99,000
Weighted No. of Equity Shares	79,84,000	79,84,000	79,84,000	79,84,000
Basic and Diluted Earnings per Equity Share (Considering bonus in all previous years)	3.90	7.89	5.30	3.30
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	23.55	314.57	188.06	103.51
Net Asset Value/Book Value per Equity share (Based on Weighted Average no of Shares)	23.55	19.66	11.75	6.47

Pursuant to sub division of shares vide special resolution dated June 10, 2023 the face value of equity shares changed from Rs. 100/- per share to Rs. 10/- per share and accordingly the number of shares has been considered at the end of March 31, 2023, 2022, 2021 is 4,99,000.

**Note:**

1) The ratios have been computed as below:

- a) Basic earnings per share (Rs.): - Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year.
- b) Diluted earnings per share (Rs.): - Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS.
- c) Return on net worth (%): - Net profit after tax (as restated) / Net worth at the end of the period or year.
- d) Net assets value per share: - Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year.

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

The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

## B. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS:-

### 1. Value of imports calculated on C.I.F basis by the company during the financial year in respect of:

Sr. No.	Particulars	As at 30 Sept 2023	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2021
		Consolidated	Consolidated	Consolidated	Standalone
(a)	Raw materials/ Traded Goods	196.43	422.39	157.84	165.81
	<b>TOTAL</b>	<b>196.43</b>	<b>422.39</b>	<b>157.84</b>	<b>165.81</b>

### 2. Earnings in foreign exchange

Sr. No.	Particulars	As at 30 Sept 2023	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2021
		Consolidated	Consolidated	Consolidated	Standalone
(a)	Export of goods	1,009.32	2,686.38	1,810.44	707.34
	<b>TOTAL</b>	<b>1,009.32</b>	<b>2,686.38</b>	<b>1,810.44</b>	<b>707.34</b>

## B. RESTATED STATEMENT OF OTHER ACCOUNTING RATIOS & ADDITIONAL INFORMATION ANNEXURE XXXIV

### (B) Accounting Ratios

Sr. No.	Ratios	Formula Heads	Period ended 30.09.2023	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
1	Current Ratio (in times) (Current Assets/ Current Liabilities)	Current Assets	2,221.28	1,903.08	1,396.75	826.16
		Current Liabilities	908.72	780.32	728.01	539.80
		Current Assets/ Current Liabilities	2.44	2.44	1.92	1.53
2	Debt Equity Ratio (in times) (Total Debt/ Total Equity)	Total Debt	120.78	136.79	199.49	158.11
		Equity	1,879.90	1,569.73	938.43	516.51
		Total Debt/ Total Equity	0.06	0.09	0.21	0.31
3	Debt Service Coverage Ratio (in times) (EBIT/ Interest Expense + Current payment of Principal amount)	EBIT	413.01	846.89	571.52	371.66
		Interest	0.27	3.87	7.85	5.36
		Principal Payment	4.87	1.29	8.28	6.02
		EBIT/ (Interest Expense + Current payment of Principal amount)	80.32	164.13	35.43	32.67
4	Return on Equity Ratio (in %) (Profit after tax/ Equity)	Profit after tax	311.18	631.02	423.10	263.47
		Equity	1,724.39	1,254.08	727.47	391.94
		Profit after tax/ Equity	18.05%	50.32%	58.16%	67.22%
5	Inventory Turnover Ratio (in times) (Cost of Goods Sold / Average Inventory)	Cost of Goods Sold	1,286.78	2,903.54	3,736.20	1,826.64
		Average Inventory	463.05	322.39	216.94	209.95
		Cost of Goods Sold / Average Inventory	2.78	9.01	17.22	8.70
6	Trade Receivables Turnover Ratio (in times) (Sales/Average Trade Receivables)	Revenue from operations	2,174.40	4,670.29	5,410.87	2,955.66
		Avg. Debtors	1,220.91	979.01	681.18	470.84
		Average Trade Receivables/ Sales	1.78	4.77	7.94	6.28



7	Trade Payables Turnover Ratio (in times) (Net Purchases/Average Trade Payables)	Net Credit Purchases	1,140.48	2,696.40	3,265.08	1,465.50
		Avg. Creditors	500.82	403.31	352.44	387.08
		Average Trade Payables/ Net Credit Purchases	2.28	6.69	9.26	3.79
8	Net Capital Turnover Ratio (in times) (Revenue from Operations/Average Working Capital)	Revenue from operations	2,174.40	4,670.29	5,410.87	2,955.66
		Average working capital i.e. Total current assets less Total current liabilities	1,217.25	895.75	477.55	143.18
		Revenue from Operations/Average Working Capital	1.79	5.21	11.33	20.64
9	Net Profit Ratio (in %) (Profit for the year/Revenue from operations)	Profit for the year	311.18	631.02	423.10	263.47
		Revenue from operations	2,174.40	4,670.29	5,410.87	2,955.66
		Profit for the year/Revenue from operations	14.31%	13.51%	7.82%	8.91%
10	Return on Capital Employed (in %) (Profit before tax and finance costs/ Equity and borrowings)	Profit before tax and finance costs	413.01	846.89	571.52	371.66
		Equity + Borrowings	2,000.68	1,706.52	1,137.93	674.63
		Profit before tax and finance costs/ Equity and borrowings	20.64%	49.63%	50.22%	55.09%

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company for the stub period ended on September 30, 2023 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.deepakchemtex.in](http://www.deepakchemtex.in).

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; (ii) Red Herring Prospectus or (ii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI (ICDR) Regulations are given below:

(Rs. in Lakhs)

Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Profit After Tax	311.18	630.20	423.10	263.47
Basic & Diluted Earnings per Share	3.90	7.89	5.30	3.30
Return on Net Worth (%)	16.55%	40.17%	45.09%	51.01%
NAV (Based on no. of share outstanding at the end of the year)	23.55	314.40	188.06	103.51
NAV per Equity Shares (Based on Weighted Average Number of Shares)	23.55	19.65	11.75	6.47
Earnings before interest, tax, depreciation and amortization (EBITDA)	411.38	799.32	592.98	411.84

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,

**The Board of Directors,  
DEEPAK CHEMTEX LIMITED  
Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri, Maharashtra - 415722**

**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of DEEPAK CHEMTEX LIMITED and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 30<sup>th</sup> September, 2023 are mentioned below.

**A. SECURED LOANS**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Rs. in Lakhs)

Name of Lender	Purpose	Account Number	Sanctioned Amount	Rate of interest (p.a.)	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.03.2023 as per Books
AXIS BANK LTD	Vehicle Loan	013406670742	7.26	9.50%	Hypothecation of vehicle	60 monthly instalments of Rs. 0.15 lakhs commencing from Nov 2021 ending in Oct 26	N.A	4.87
<b>Total</b>								<b>4.87</b>

**B. UNSECURED LOANS**

Name of Lender	Purpose	Rate of interest (p.a.)	Re-Payment Schedule	Outstanding amount as on 30.09.2023 as per Books
Saurabh Arora	Business Loan	0.00%	On Demand	115.91
<b>Total</b>				<b>115.91</b>

**For A D V & Associates**

**Chartered Accountants**

FRN : 128045W

Sd/-

**PRATIK KABRA**

**Partner**

M. No. 611401

UDIN: 23611401BGUONK7529

Place: MUMBAI

Date: **08th November, 2023**

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

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled "Financial Information of the Company" beginning on page 147 You should also read the section titled "Risk Factors" on page 25 and the section titled "Forward Looking Statements" on page 18 of this Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements. Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated September 29, 2023 which is included in this Red Herring Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **Business Overview**

We are primarily engaged in the business of manufacturing of colorants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries. Colorants are formulations of chemical intermediates, pigments or dyes and additives used to add colour to various consumables. We commenced our business in 1997 and have over the years evolved into manufacturing of a complete range of FD&C (Food, Drug and Cosmetic) colours used in the confectionary, bakery, desserts, beverages, dairy products, seasonings, pet foods, pharmaceutical products, cosmetics & personal care products. We also manufacture salt free dyes used in inkjet industry, pond dyes used in ponds, lakes, swimming pools etc and other colorants used in car wash products, portable sanitation cleaners, detergent & soap, fuel, oil & lubricants, smoke, seed treatment, crop protection, fertilizer indicators, floral dyes etc.

Our manufacturing facility is situated at Ratnagiri District in Maharashtra and is equipped with glass lined reactors, boilers and stainless steel equipments and gets audited on a regular basis by our clients. We use various production processes like: Sulphonation, Condensation, Bromination, Oxidation, Reduction, High pressure reactions, Purification etc which enables us to cater to niche and advanced requirements of a wider range of end-products and applications. We manufacture colorants from unwanted salts and isomers. The quality framework at our organization comprises of quality checks focused on shade testing, heavy metals detection, microbiological contamination tests and particle size analysis done by our inhouse team. Our manufacturing facility is accredited with ISO 9001:2015 for quality management system for the manufacture and supply of chemical intermediates & dyes stuff. To ensure quality standards our manufacturing unit has also received HALAL certificate which guarantee that the food is prepared in accordance with Islamic law and is unadulterated and KOSHER certificate that a particular food item or product has been prepared in accordance with the Dietary Laws of Judaism. With the growing environmental concerns we have developed Effluent treatment Plant and carry out a series of treatments to check the COD, BOD, TDS and PH levels of the effluent before we discharge the same to the Common Effluent Treatment Plant.

We are exporting to countries like: China, France, Kenya, Mexico, Europe, Japan, Australia, United Kingdom, United States Of America etc. We have successfully expanded our commercialized product portfolio from around 50 products in Fiscal 2021 to around 100 products in Fiscal 2023. The revenue from top 10 products of the company for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 were Rs 3,747.56 lakhs, Rs 4,489.66 lakhs and Rs 2,688.89 lakhs which contributed to 80.24%, 82.97% and 90.97% of our total revenue from operations. We have a diverse base of Indian and global customers who sometimes secure EN 71(European Standard) certification for our products.

We provide flexible packing options like: IBC Tank Packing, HDPE Drum Packing, Cardboard Drum Packing, Carton Packaging and Container Stuffing etc. We pack the offered range hygienically, so as to ensure its safety during the transit.

Our Company is led by our Promoter Saurabh Deepak Arora having an experience of around 26 years in the colorant manufacturing business. To further expand and facilitate our operations we also operate through our subsidiaries through DCPL Speciality Chemicals Private Limited and South West Chemicals Corporation in New Jersey in USA.

The share of revenue through application of our products across various Industry Segments are as under:

(Rs. In Lakhs)

Industry Segment	Sept. 2023	%	Fiscal 2023	%	Fiscal 2022	%	Fiscal 2021	%
HI&I - Household Industrial and institutional	654.03	30.08%	2266.71	48.53%	3462.18	63.99%	1167.46	39.50%
Food	213.59	9.82%	411.42	8.81%	696.51	12.87%	991.46	33.54%
Cosmetics	171.84	7.90%	181.87	3.89%	135.48	2.50%	195.13	6.60%
Pharmaceuticals	155.35	7.14%	63.25	1.35%	0.00	0.00%	0.00	0.00%
Industrial	321.07	14.77%	33.97	0.73%	4.14	0.08%	7.84	0.27%
Agriculture	412.95	18.99%	7.59	0.16%	6.97	0.13%	6.59	0.22%
Others	245.58	11.29%	1705.48	36.52%	1105.59	20.43%	587.19	19.87%
<b>Total</b>	<b>2174.40</b>	<b>100.00%</b>	<b>4670.29</b>	<b>100.00%</b>	<b>5410.87</b>	<b>100.00%</b>	<b>2955.66</b>	<b>100.00%</b>

#### Key Performance Indicators of our Company

(Rs. In Lakhs except percentages and ratios)

Key Financial Performance	September 30, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2174.40	4,670.29	5,410.87	2,955.66
EBITDA <sup>(2)</sup>	411.38	799.32	592.98	411.84
EBITDA Margin <sup>(3)</sup>	18.92%	17.11%	10.96%	13.93%
PAT <sup>(4)</sup>	311.18	630.20	423.10	263.47
PAT Margin <sup>(5)</sup>	14.31%	13.49%	7.82%	8.91%
RoE(%) <sup>(6)</sup>	18.05%	50.27%	58.16%	67.22%
RoCE (%) <sup>(7)</sup>	20.64%	49.65%	50.22%	55.09%

#### Notes:

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

<sup>(6)</sup>Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

<sup>(7)</sup>Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of "Statement of Significant Accounting Policies", please refer to *Annexure IV of Restated Financial Statements* beginning on page 147 of this Red Herring Prospectus.

#### Factors Affecting our Results of Operations

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Inability to promptly identify and respond to changing customer preferences or evolving trends and If one or more of our major customers choose not to source their requirements from us or to terminate our long-term contracts;
3. Our ability to effectively manage the operations of and costs associated with our manufacturing facilities;
4. Any slowdown or shutdown in our manufacturing operations or strikes, work stoppages or increased wage demands by our employees that could interfere with our operations;
5. Certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances;
6. Our reliance on a combination of trade mark, trade secret, copyright law and contractual restrictions and our inability to protect our intellectual property rights;
7. Exchange rate fluctuations that may adversely affect our results of operations, since our sales from exports and a portion of our expenditures are denominated in foreign currencies;
8. We may not be able to sustain our historical growth rates, and our historical performance may not be indicative of our future growth or financial results;

9. Failure to successfully upgrade our product portfolio, from time to time;
10. Any change in government policies resulting in increases in taxes payable by us;
11. Our ability to retain our key managements persons and other employees;
12. Changes in laws and regulations that apply to the industries in which we operate;
13. Our ability to grow our business;
14. Restrictions on the import of our raw materials and/or an increase in shipment costs;
15. Reduction in the demand of our products;
16. Failure to comply with the quality standards and requirements of our customers;
17. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
18. Company's ability to successfully implement its growth strategy and expansion plans;
19. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
20. Inability to successfully obtain registrations in a timely manner or at all;
21. Occurrence of Environmental Problems & Uninsured Losses;
22. Conflicts of interest with affiliated companies, the promoter group and other related parties;
23. Any adverse outcome in the legal proceedings in which we are involved;
24. Inability to meet out the permissible food standards may lead to cancellation of HALAL & KOSHER certification.
25. Concentration of ownership among our Promoters;
26. Other factors beyond our control.

## Discussion on Result of Operations

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

Particulars	30.09.23	% of Total Income	31.03.2023	% of Total Income	31.03.2022	% of Total Income	31.03.2021	% of Total Income
Revenue From Operations	2,174.40	98.26%	4670.29	97.63%	5410.87	99.40%	2955.66	99.43%
Other Income	38.54	1.74%	113.43	2.37%	32.81	0.60%	17.09	0.57%
<b>Total Revenue</b>	<b>2,212.95</b>	<b>100.00%</b>	<b>4783.72</b>	<b>100.00%</b>	<b>5443.68</b>	<b>100.00%</b>	<b>2972.75</b>	<b>100.00%</b>
<b>Expenditure</b>								
Cost of Material Consumed	1,046.87	47.31%	2681.66	56.06%	3258.14	59.85%	1456.37	48.99%
Purchase of stock in Trade	208.89	9.44%	417.79	8.73%	464.21	8.53%	378.16	12.72%
Change in inventories of finished goods, work in progress and stock in trade	31.02	1.40%	-195.91	-4.10%	13.85	0.25%	-7.90	-0.27%
Employee Benefit Expenses	140.89	6.37%	222.78	4.66%	195.65	3.59%	168.89	5.68%
Finance Cost	3.25	0.15%	6.82	0.14%	9.46	0.17%	7.68	0.26%
Depreciation and Amortisation Expenses	36.92	1.67%	65.85	1.38%	54.27	1.00%	57.26	1.93%
Other Expenses	332.37	15.02%	741.71	15.50%	884.44	16.25%	545.98	18.37%
<b>Total Expenditure</b>	<b>1,800.21</b>	<b>81.35%</b>	<b>3940.70</b>	<b>82.38%</b>	<b>4880.01</b>	<b>89.65%</b>	<b>2606.44</b>	<b>87.68%</b>
<b>Profit/(Loss) Before Tax</b>	<b>412.74</b>	<b>18.65%</b>	<b>843.03</b>	<b>17.62%</b>	<b>563.67</b>	<b>10.35%</b>	<b>366.30</b>	<b>12.32%</b>
<b>Tax Expense:</b>								
Current Tax	104.63	4.73%	216.77	4.53%	145.79	2.68%	103.94	3.50%
Adjustment of tax	0.00	0.00%	0.00	0.00%	0.00	0.00%	-0.46	-0.02%
Deferred Tax	3.08	0.14%	4.76	0.10%	5.22	0.10%	1.57	0.05%
<b>Total Tax Expense</b>	<b>107.71</b>	<b>4.87%</b>	<b>212.01</b>	<b>4.63%</b>	<b>140.57</b>	<b>2.77%</b>	<b>102.84</b>	<b>3.46%</b>
<b>Net Profit and loss as restated</b>	<b>311.18</b>	<b>14.06%</b>	<b>631.02</b>	<b>12.99%</b>	<b>423.10</b>	<b>7.58%</b>	<b>263.47</b>	<b>8.86%</b>

**Revenue from operations:**

Revenue from operations mainly consists of revenue from sale of colorants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries.

**Other Income:**

Other income primarily comprises of Balances Written off, Duty Drawback, Interest Income, Govt Subsidy, Sale of Scrap, Discount Received and Exchange Fluctuation Gain.

**Total Expenses:**

Total expenses consist of operating cost like Cost of Material consumed, Purchase of stock in trade, Change in inventories of finished goods, work in progress and stock in trade, Employee benefits expense, Finance costs, Depreciation and amortization expenses and other expenses.

**Cost of Material consumed**

Cost of Material consumed expenses primarily comprises of Purchase of Raw & Packing Material, Freight Charges and change in stock of raw material both Indigenous and Imported.

**Purchase of Stock in Trade**

Purchase of Stock in Trade primarily comprises of Purchase of stock in trade made by the company.

**Change in inventories of finished goods**

Change in inventories of Finished goods comprises of increase/ (decrease) in stock of finished goods and consumables.

**Employee benefits expense:**

Employee benefits expense primarily comprises of salaries and wages, Contribution to PF & Other Funds, Rent for Employees, and Remuneration to directors, Staff welfare expenses and Gratuity.

**Finance Costs:**

Our Finance cost includes Interest expenses and Bank charges.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Building, Computer, Furniture & Fittings, Office Equipment, Computers, Vehicles and Plant & Machinery.

**Other Expenses:**

Other Expenses consists of Expenses like: Auditors Remuneration, Business Promotion, Bad Debts, Freight Charges, Commission paid, Custom Clearing Charges, Custom Duty on Import, Detention charges, donation, Discount Allowed, Electricity Charges – Factory, Electricity Charges-Office, Employees Training Expenses, Environmental Protection Expenses, Factory expenses, Gardening Expenses, GST Reversal, Insurance, Interest on Income Tax, Laboratory Expenses & Testing Charges, Labour Charges, Legal, Professional, Consultancy Charges, membership fees, Municipal Tax, Motor car Expenses, Office Maintenance Expenses, Postage & Courier, Printing & Stationery, Packing Charges Rates, Taxes & Fees, Rent, Repairs & Maintenance-Plant & Factory Building, Stores, Spares & Packing Materials Consumed, Shipping Line Charges, Telephone Charges, Travelling & Conveyance, Vat Expenses and Water Charges.

**FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED SEPTEMBER 30, 2023****Total Income:**

Total income for the period ended September 30, 2023 stood at Rs. 2,212.95 Lakhs. The total income consists of revenue from operations and other income.



**Revenue from Operations:**

During the period ended September 30, 2023 the net revenue from operation of our Company was Rs. 2174.40 Lakhs from sale of colorants finding its application in Food, Drug, Cosmetics, Cleaning compounds, Agriculture and other industries.

**Other Income:**

During the period ended September 30, 2023 the other income of our Company stood at Rs. 38.54 Lakhs. Other income primarily comprises of Balances Written off, Duty Drawback, Interest Income, Govt Subsidy, Sale of Scrap, Discount Received and Exchange Fluctuation Gain.

**Total Expenses:**

Total expenses consist of cost like Cost of material consumed, Change in inventories of finished goods, work in progress and stock in trade, Employee benefits expense, Finance costs, Depreciation and amortization expenses and other expenses. During the period ended September 30, 2023 the total expenses of our Company stood at Rs. 1,800.21 Lakhs.

**Cost of Material consumed**

During the period ended September 30, 2023 the Raw material consumption expenses of our Company stood at Rs.1046.87 Lakhs. Our Raw material consumption expenses primarily comprises of Purchase of i) Raw Material of indigeneous Products and ii) Raw Material of Imported Products and change in stock of raw material.

**Change in inventories of finished goods and work in progress**

During the period ended September 30, 2023 Change in inventories of finished goods, work in progress and stock in trade of our Company stood at Rs 31.02 Lakhs. Our Change in inventories of finished goods, work in progress and stock in trade comprises of increase/(decrease) in stock of finished goods and Stock of work in progress.

**Employee benefits expense:**

During the period ended September 30, 2023 the employee benefit expenses of our Company stood at Rs.140.89 Lakhs. The main components of the employee benefit expenses are Salaries and wages, Remuneration to directors & MD, Staff welfare expenses, and Gratuity expenses.

**Finance Costs:**

During the period ended September 30, 2023 the Finance cost of our Company stood at Rs.3.25Lakh. The main components of the finance costs consist of Interest expense and other borrowing cost.

**Depreciation and Amortization Expenses:**

During the period ended September 30, 2023 the Depreciation and amortization charges of our Company stood at Rs. 36.92 Lakhs.

**Other Expenses:**

During the period ended September 30, 2023 the Other Expenses of our Company stood at Rs. 332.37 Lakhs. Other Expenses consists of Expenses like: Auditors Remuneration, Business Promotion, Bad Debts, Freight Charges, Commission paid, Custom Clearing Charges, Custom Duty on Import, Detention charges, donation, Discount Allowed, Electricity Charges – Factory, Electricity Charges-Office, Employees Training Expenses, Environmental Protection Expenses, Factory expenses, Gardening Expenses, GST Reversal, Insurance, Interest on Income Tax, Laboratory Expenses & Testing Charges, Labour Charges, Legal, Professional, Consultancy Charges, membership fees, Municipal Tax, Motor car Expenses, Office Maintenance Expenses, Postage & Courier, Printing & Stationery, Packing Charges Rates, Taxes & Fees, Rent, Repairs & Maintenance-Plant & Factory Building, Stores, Spares & Packing Materials Consumed, Shipping Line Charges, Telephone Charges, Travelling & Conveyance, Vat Expenses and Water Charges.

**Restated Profit before tax:**

The Company reported Restated profit before tax for period ending September 30, 2023 of Rs. 412.74 Lakhs.

**Restated profit after tax:**

The Company reported Restated profit after tax for period ending September 30, 2023 of Rs. 311.18 Lakhs.

**FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022**

**Total Income:**

Total income for the financial year 2022-23 stood at Rs. 4,783.72 Lakhs whereas in Financial Year 2021-22 the same stood at Rs. 5,443.68 Lakhs representing a decrease of 12.12%. The main reason of decrease was decrease in the volume of business operations of the company. The total income consists of revenue from operations and other income.

**Revenue from Operations**

During the financial year 2022-23 the net revenue from operation of our Company decreased to Rs. 4,670.29 Lakhs as against Rs. 5,410.87 Lakhs in the Financial Year 2021-22 representing a decrease of 13.69%. The main reason of decrease was due to decrease in the sales from domestic market.

**Other Income:**

During the financial year 2022-23 the other income of our Company increased to Rs.113.43 Lakhs as against Rs. 32.81 lakhs in the Financial Year 2021-22 representing an increase of 245.71% which was due to increase in income from (i) Duty Drawback of Rs. 56.36 lakhs in the financial year 2022-23 as compared to Rs. 20.54 lakhs in financial year 2021-22 which amount to increase of 174.39%, (ii) Balances written Off of Rs.3.21 lakhs in financial year 2022-23, which started in current year itself, (iii) Interest Income of Rs. 5.81 lakhs in the financial year 2022-23 as compared to Rs. 0.02 lakhs in financial year 2021-22 (iv) Govt Subsidy of Rs. 9.00 lakhs in the financial year 2022-23 as compared to Rs. 0.45 lakhs in financial year 2021-22 (v) Exchange Fluctuation Gain of Rs. 38.80 lakhs in the financial year 2022-23 as compared to Rs. 10.18 lakhs in financial year 2021-22 which amount to increase of 280.96%.

**Total Expenses**

The total expense for the financial year 2022-23 decreased to Rs. 3,940.70 Lakhs from Rs. 4,880.01 lakhs in the Financial Year 2021-22 representing a decrease of 19.25%. Such decrease was due to decrease in business operations of the Company.

**Cost of Raw Material consumed**

The Cost of material consumed for the financial year 2022-23 decreased to Rs. 2,681.66 lakhs from Rs. 3,258.14 lakhs in the Financial Year 2021-22 representing a decrease of 17.69%. Such decrease was due to decrease in purchase of (i) Raw & Packing materials from Rs 3,265.08 lakhs in financial year 2021-2022 to Rs 2,696.40 lakhs in financial year 2022-2023 representing a decrease of 17.42%, (ii) Freight Charges from Rs 3.86 lakhs in financial year 2021-2022 to Rs 3.32 lakhs in financial year 2022-2023 representing a decrease of 14.06%.

**Purchase of Stock in Trade**

Purchase of Stock in Trade for the financial year 2022-23 decreased to Rs. 417.79 lakhs from Rs. 464.21 lakhs in the Financial Year 2021-22 representing a decrease of 10.00%. Such decrease was due to decrease in purchase of stock in trade during the financial year 2022-23.

**Change in inventories of finished goods**

Our Change in inventories of finished goods comprises of increase/(decrease) in finished goods and consumables. The closing inventories of finished goods for the financial year 2022-23 was Rs 242.55 lakhs as compared to Rs 42.84 lakhs in the Financial Year 2021-22 representing an increase of 466.12%. The closing inventories of Consumables for the financial year 2022-23 was Rs 10.38 lakhs as compared to Rs. 14.18 lakhs in the Financial Year 2021-22 representing a decrease of 26.78%.

**Employee benefits expense:**

Our Company has incurred Rs. 222.78 Lakhs as Employee benefits expense during the financial year 2022-23 as compared to Rs. 195.65 Lakhs in the financial year 2021-22. The increase of 13.87% was due to increase in (i) Salaries, Wages & Bonus of Rs. 183.05 lakhs in the financial year 2022-23 as compared to Rs. 158.77 lakhs in financial year 2021-22 which amount to increase of 15.29%, (ii) Gratuity of Rs.5.81 lakhs in financial year 2022-23 as compared to Rs. 2.57 lakhs in financial year 2021-22 which amount to increase of 126.36%, (iii) Rent for Employees of Rs. 0.90 lakhs in the financial year 2022-23 as compared to Rs. 0.84 lakhs in financial year 2021-22 which amount to increase of 7.14%, (iv) Staff Welfare Expenses of Rs. 10.79 lakhs in the financial year 2022-23 as compared to Rs. 8.02 lakhs in financial year 2021-22 which amount to increase of 34.61%.

#### **Finance Costs:**

Our Company has incurred Rs. 6.82 Lakhs as finance cost during the financial year 2022-23 as compared to Rs. 9.46 Lakhs in the financial year 2021-22. The decrease of 27.92% was due to decrease in interest on Borrowings.

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at Rs. 65.85 Lakhs as against Rs. 54.27 Lakhs during the financial year 2021-22. The increase in depreciation was around 21.35% which was due to addition in Plant & Machinery, Furniture & Fittings, Building, Office Equipment and Vehicles.

#### **Other Expenses:**

Our Company has incurred Rs. 741.71 Lakhs during the Financial Year 2022-23 on other expenses as against Rs. 884.44 Lakhs during the financial year 2021-22. There was a decrease of 16.14% mainly due (i) decrease in Custom Duty on Import by 18.85% from Rs. 42.94 lakhs in financial year 2021-22 to Rs. 34.85 Lakhs in financial year 2022-23, (ii) decrease in Business Promotion by 85.51% from Rs. 27.01 lakhs in financial year 2021-22 to Rs. 3.91 lakhs in financial year 2022-23, (iii) decrease in Electricity Charges by 4.99% from Rs. 44.91 lakhs in financial year 2021-22 to Rs. 42.67 lakhs in financial year 2022-23, (iv) decrease in Employees Training Expenses by 93.95% from Rs. 1.59 lakhs in financial year 2021-22 to Rs. 0.10 lakhs in financial year 2022-23 (v) decrease in Gardening Expenses by 65.21 % from Rs. 5.99 lakhs in financial year 2021-22 to Rs 2.09 lakhs in financial year 2022-23 (vi) decrease in insurance by 66.14 % from Rs. 1.82 lakhs in financial year 2021-22 to Rs. 0.61 lakhs in financial year 2022-23 (vii) decrease in Labour Charges by 11.48 % from Rs. 58.07 lakhs in financial year 2021-22 to Rs. 51.41 lakhs in financial year 2022-23, (viii) decrease in Repair & Maintenance by 78.58 % from Rs.111.19 lakhs in financial year 2021-22 to Rs. 23.81 lakhs in financial year 2022-23, (ix) decrease in Stores, Spares & Packing Materials Consumed by 8.14 % from Rs.254.77 lakhs in financial year 2021-22 to Rs. 234.04 lakhs in financial year 2022-23 etc.

#### **Restated Profit before tax:**

Net profit before tax for the financial year 2022-23 increased to Rs. 843.03 Lakhs as compared to Rs. 563.67 Lakhs in the financial year 2021-22. The increase of 49.56% was majorly due to factors as mentioned above.

#### **Restated profit after tax:**

As a result of the above factors, our profit after tax for the year increase by 49.14% from net profit of Rs. 423.10 Lakhs in in financial year 2021-22 to net profit Rs. 631.02 lakhs in financial year 2022-23. Consequently, our PAT Margin expanded to 13.44% in financial year 2022-23 from 7.82 % in financial year 2021-22.

### **FINANCIAL YEAR 2022 COMPARED TO FINANCIAL YEAR 2021**

#### **Total Income:**

Total income for the financial year 2021-22 stood at Rs. 5,443.68 Lakhs whereas in Financial Year 2020-21 the same stood at Rs. 2,972.75 Lakhs representing an increase of 83.12%. The main reason of increase was increase in the volume of business operations of the company. The total income consists of revenue from operations and other income.

#### **Revenue from Operations**

During the financial year 2021-22 the net revenue from operation of our Company increased to Rs. 5,410.87 Lakhs as against Rs. 2,955.66 Lakhs in the Financial Year 2020-21 representing an increase of 83.07%. The main reason of increase was due to increase in the sales.

#### **Other Income:**

During the financial year 2021-22 the other income of our Company increased to Rs. 32.81 Lakhs as against Rs. 17.09 lakhs in the Financial Year 2020-21 representing an increase of 92.01% which was due to increase in income from (i) Duty Drawback of Rs. 20.54 lakhs in the financial year 2021-22 as compared to Rs. 9.08 lakhs in financial year 2020-21 which amount to increase of 126.22%, (ii) Govt Subsidy of Rs. 0.45 lakhs in the financial year 2021-22 as compared to Rs. 0.35 lakhs in financial year 2020-21 which amount to increase of 26.72%, (iii) Exchange Fluctuation Gain of Rs. 10.18 lakhs in the financial year 2021-22 as compared to Rs. 2.84 lakhs in financial year 2020-21 which amount to increase of 258.40%, (iv) Sale of Scrap of Rs. 1.58 lakhs in the financial year 2021-22 as compared to Rs. 0.03 lakhs in financial year 2020-21.

#### **Total Expenses**

The total expense for the financial year 2021-22 increased to Rs. 4,880.01 Lakhs from Rs. 2,606.44 lakhs in the Financial Year 2020-21 representing an increase of 87.23%. Such increase was due to increase in volume of business operations of the Company.

#### **Cost of Raw Material consumed**

The Cost of Raw material consumed for the financial year 2021-22 increased to Rs. 3,258.14 lakhs from Rs. 1,456.37 lakhs in the Financial Year 2020-21 representing a increase of 123.72%. Such increase was due to increase in purchase of (i) Raw & Packing materials to Rs 3,265.08 lakhs in financial year 2021-22 from Rs 1,465.50 lakhs in financial year 2020-21 representing an increase of 122.80% (ii) Freight Charges to Rs 3.86 lakhs in financial year 2021-22 which were incurred in this year itself.

#### **Purchase of Stock in Trade**

Purchase of Stock in Trade for the financial year 2021-22 increased to Rs. 464.21 lakhs from Rs. 378.16 lakhs in the Financial Year 2020-21 representing an increase of 22.75%. Such increase was due to increase in purchase of stock in trade during the financial year 2021-22.

#### **Change in inventories of finished goods**

Our Change in inventories of Finished goods comprises of increase/(decrease) in finished goods and Consumables. The closing inventories of finished goods for the financial year 2021-22 was Rs 42.84 lakhs as compared to Rs 68.60 lakhs in the Financial Year 2020-21 representing a decrease of 37.54%. The closing inventories of Consumables for the financial year 2021-22 was Rs 14.18 lakhs as compared to Rs. 2.27 lakhs in the Financial Year 2020-21 representing an increase of 524.54%.

#### **Employee benefits expense:**

Our Company has incurred Rs. 195.65 Lakhs as Employee benefits expense during the financial year 2021-22 as compared to Rs. 168.89 Lakhs in the financial year 2020-21. The increase of 15.84% was due to increase in (i) Salaries, Wages & Bonus of Rs. 158.77 lakhs in the financial year 2021-22 as compared to Rs. 123.51 lakhs in financial year 2020-21 which amount to increase of 28.55%, (ii) Staff Welfare Expenses of Rs. 8.02 lakhs in the financial year 2021-22 as compared to Rs. 6.80 lakhs in financial year 2020-21 which amount to increase of 17.81%.

#### **Finance Costs:**

Our Company has incurred Rs. 9.46 Lakhs as finance cost during the financial year 2021-22 as compared to Rs. 7.68 Lakhs in the financial year 2020-21. The increase of 23.19% was due to increase in interest on Borrowings.

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2021-22 stood at Rs.54.27 Lakhs as against Rs. 57.26 Lakhs during the financial year 2020-21. The decrease in depreciation was around 5.23% which was due to no significant addition in fixed assets.

## **Other Expenses:**

Our Company has incurred Rs. 884.44 Lakhs during the Financial Year 2021-22 on other expenses as against Rs. 545.98 Lakhs during the financial year 2020-21. There was an increase of 16.14% mainly due (i) increase in Custom Duty on Import by 212.07% from Rs. 13.76 lakhs in financial year 2020-21 to Rs. 42.94 lakhs in financial year 2021-22, (ii) increase in Business Promotion by 244.95% from Rs. 7.83 lakhs in financial year 2020-21 to Rs. 27.01 lakhs in financial year 2021-22, (iii) increase in Electricity Charges by 67.85% from Rs. 25.85 lakhs in financial year 2020-21 to Rs. 43.01 lakhs in financial year 2021-22, (iv) increase in Freight Charges by 206.98% from Rs. 60.82 lakhs in financial year 2020-21 to Rs. 186.71 lakhs in financial year 2021-22 (v) increase in Gardening Expenses by 154.17 % from Rs. 2.36 lakhs in financial year 2020-21 to Rs 5.99 lakhs in financial year 2021-22 (vi) increase in Custom clearing charges by 27.53 % from Rs. 16.43 lakhs in financial year 2020-21 to Rs.20.96 lakhs in financial year 2021-22 (vii) increase in Labour Charges by 53.26 % from Rs. 37.89 lakhs in financial year 2020-21 to Rs. 58.07 lakhs in financial year 2021-22, (viii) increase in Repair & Maintenance by 141.26 % from Rs.46.09 lakhs in financial year 2020-21 to Rs. 111.19 lakhs in financial year 2021-22, (ix) increase in Stores, Spares & Packing Materials Consumed by 57.33 % from Rs.161.93 lakhs in financial year 2020-21 to Rs. 254.77 lakhs in financial year 2021-22, (x) increase in Rent by 37.94% from Rs 12.19 lakhs in financial year 2020-21 to Rs 16.81 lakhs in financial year 2021-22, (xi) increase in Travelling & Conveyance by 81.15% from Rs 18.78 lakhs in financial year 2020-21 to Rs 34.01 lakhs in financial year 2021-22 etc.

## **Restated Profit before tax:**

Net profit before tax for the financial year 2021-22 increased to Rs. 563.67 Lakhs as compared to Rs. 366.30 Lakhs in the financial year 2020-21. The increase of 53.88 % was majorly due to factors as mentioned above.

## **Restated profit after tax:**

As a result of the above factors, our profit after tax for the year increase by 60.59% from net profit of Rs. 263.47 Lakhs in in financial year 2020-21 to net profit Rs. 423.10 lakhs in financial year 2021-22. Consequently, our PAT Margin decreased to 7.82% in financial year 2021-22 from 8.91% in financial year 2020-21.

## **Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

### ***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 25 of the Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

### ***4. Future changes in relationship between costs and revenues***

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 25, 103 and 182 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

### ***5. Segment Reporting***

Our company operates in a single product segment. For details on geographical segment please refer “*Annexure IV*” forming part of “*Financial Information of the Company*” on page 147 of the Red Herring Prospectus

#### **6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “*Our Business*”, our Company has not announced any new product or service.

#### **7. Seasonality of business**

Our business is not subject to seasonality. For further information, see “*Industry Overview*” and “*Our Business*” on pages 88 and 103 respectively.

#### **8. Dependence on single or few customers**

During the stub period ended on September 30, 2023 and for the FY 22-23, FY 21-22 and FY 20-21 our top 10 customers contributed to 64.33%, 76.41%, 73.13% and 63.62% of our revenue from operations. For further information, see “*Risk Factors*” on page 25 of this Red Herring Prospectus.

#### **9. Competitive conditions**

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on pages 88 and 103 respectively of this Red Herring Prospectus.

#### **10. Details of material developments after the date of last balance sheet i.e. March 31, 2023**

After the date of last Balance sheet i.e. March 31, 2023, the following material events have occurred after the last audited period–

1. The Authorized Share Capital of the Company was increased from Rs ₹50.00 Lakhs divided into 5,00,000 Equity Shares of Rs.10/- each to Rs. ₹1100 lakhs divided into 1,10,00,000 equity shares vide Extra Ordinary General Meeting held on July 28, 2023
2. We have capitalized the profits of the company by issuing 74,85,000 equity shares of Face Value of Rs. 10/- in ratio of 15:1 (15 new equity shares for 1 Existing shares) approved in Extra Ordinary General Meeting held on August 09, 2023.
3. We have passed a Resolution in the meeting of Board of Directors dated September 20, 2023 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
4. We have passed a special resolution in the Extra-ordinary General meeting dated September 21, 2023 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
5. Our Company has approved the Restated Financial Statements for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in the Board meeting dated September 29, 2023
6. Our Company has approved the Draft Red Herring Prospectus vide resolution in the Board Meeting dated September 30, 2023

**CAPITALISATION STATEMENT**

(Rs. In Lakhs)

Particulars	Consolidated	
	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	120.78	120.78
Long Term Debt (B)	-	-
<b>Total debts (C)</b>	<b>120.78</b>	<b>120.78</b>
<b>Shareholders' funds</b>		
Equity share capital	798.40	*
Reserve and surplus - as restated	1,081.50	*
<b>Total shareholders' funds</b>	<b>1,879.90</b>	*
<b>Long term debt / shareholders' funds</b>	0.00	*
<b>Total debt / shareholders' funds</b>	0.06	*

**Notes:**

\* The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on September 20, 2023 determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Company.

##### **(c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

##### **(d) Tax Proceedings**

<b>Nature of Proceedings</b>	<b>Number of cases</b>	<b>Amount involved* (Rs.)</b>
Direct Tax	6	1.78
Indirect Tax	Nil	Nil
<b>Total</b>	<b>6</b>	<b>1.78</b>

##### **(e) Other pending material litigations against the Company**

As on the date of this Red Herring Prospectus, there are no other pending material litigations against the Company.

##### **(f) Other pending material litigations filed by the Company**

As on the date of this Red Herring Prospectus, there are no other pending material litigations filed by the Company.

#### **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

##### **(a) Criminal proceedings against the Promoters & Directors of the Company**

**Mr. Saurabh Deepak Arora**

##### **State of Maharashtra vs Sourabh Deepak Arora - The Factories Act, 1948**

A Criminal case bearing no. S.C.C – 2/2020 is filed on 01.01.2020 against Mr. Saurabh Deepak Arora in District and Sessions Court, Khed under section 36(2)(a),36(2)(c),92 of the Factories Act, 1948, before the 2 Joint Civil Judge Jr. Dn J.M.F.C. Khed by the State of Maharashtra involving the death of an employee namely Mr. Krishtraj Pelman on March



06, 2015 in the factory premises of the Company. Mr. Saurabh Deepak Arora has been accused for not providing proper breathing apparatus to Mr. Krishtraj Pelman while working in a confined space and a belt securely attached to a rope free end of which is held by a person outside the confined space. The Complainant has prayed to the Hon'ble Court to punish the accused for each offense separately. The next date of hearing was on October 23, 2023. The next date of hearing is on December 19, 2023.

**State of Maharashtra vs Sourabh Deepak Arora - The Maharashtra Factories Rules, 1963.**

A Criminal case bearing no. S.C.C – 3/2020 is filed on October 01, 2020 against Mr. Saurabh Deepak Arora in District and Sessions Court, Khed under section 115(1), 115(2), 92 of the Maharashtra Factories Rules, 1963, before the 2 Joint Civil Judge Jr. Dn J.M.F.C. Khed by the State of Maharashtra involving the death of an employee namely Mr. Krishtraj Pelman on March 06, 2015 in the factory premises of the Company. Mr. Saurabh Deepak Arora has been accused for not providing proper breathing apparatus to Mr. Krishtraj Pelman while working in a confined space and a belt securely attached to a rope free end of which is held by a person outside the confined space. The Complainant has prayed to the Hon'ble Court to punish the accused for each offense separately. The last date of hearing was on October 23, 2023. The next date of hearing is on December 19, 2023.

**(b) Criminal proceedings filed by the Directors of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings filed by the Promoters & Directors of the Company.

**(c) Actions by statutory and regulatory authorities against the Directors of the Company**

As on the date of this Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors of the company.

**(d) Tax Proceedings**

Tax Liability	Number of cases	Amount Involved* (Rs.)
Direct Tax	1	Unascertainable
Indirect Tax	Nil	Nil

\* To the extent quantifiable

**(e) Other pending material litigations against the Promoters & Directors of the Company**

As on the date of this Red Herring Prospectus, there are no other pending material litigations against the Promoters & Directors of the company.

**(f) Other pending material litigations filed by the Promoters & Directors of the Company**

As on the date of this Red Herring Prospectus, there are no other pending material litigations filed by the Promoters & Directors of the company.

**AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's trade payables as per the last Restated financial statements, to small scale undertakings and other creditors, as material dues for our Company. As per Restated Financial Statements, the trade payables of our Company as on September, 2023 were Rs. 575.51 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds Rs. 28.78 lakhs as on September 30, 2023. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on September 20, 2023. As on September, 2023, there is 1 creditor to each of whom our Company owes amounts exceeding 5% of our Company's total trade payables and the aggregate outstanding dues to them being approximately Rs. 235.67lakhs. As per the above materiality policy, the outstanding amount owned to small scale undertakings and material creditors as on September 30, 2023, by our Company is as follows:

Material Creditors	Number of Cases	Amount Involved (₹ in Lakhs)
Micro, Small and Medium Enterprises*	25	76.37
Material Creditors	1	235.67
Other Creditors	83	263.47
<b>Total</b>	<b>109</b>	<b>575.51</b>

*\*Entities that are identified as "Micro, Small and Medium Enterprises" under the Restated Financial Statements are considered as micro small and medium enterprises.*

The details pertaining to amounts due towards material creditors are available on the website of our Company at <https://deepakchemtex.in/>

**MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 182 of this Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## **GOVERNMENT AND OTHER APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/ regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.*

### **I. Approvals for the Issue:**

The following approvals have been obtained or will be obtained in connection with the Issue:

#### **Corporate Approvals:**

- a. Our Board, pursuant to its resolution dated September 20, 2023 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- b. The shareholders of our Company have, pursuant to their resolution passed at the Extraordinary General Meeting of our Company held on September 21, 2023 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Red Herring Prospectus pursuant to its resolution dated November 21, 2023.

#### **Approval from the Stock Exchange:**

- d. In-principle approval dated November 10, 2023 from the BSE SME for using the name of the Exchange in the issue documents for listing of the Equity Shares issued by our Company pursuant to the issue.

#### **Agreements with NSDL and CDSL:**

- e. Agreement dated September 28, 2023 between CDSL, the Company and the Registrar to the Issue;
- f. Agreement dated September 29, 2023 between NSDL, the Company and the Registrar to the Issue;
- g. The Company's International Securities Identification Number ("ISIN") is INE0RDM01013.

### **II. Incorporation related Approvals obtained by our Company:**

<b>Sr. No</b>	<b>Nature of Registration/ License</b>	<b>CIN/Registration No.</b>	<b>Applicable Laws</b>	<b>Issuing Authority</b>	<b>Date of issue</b>	<b>Date of Expiry</b>
1.	Certificate of Incorporation as Deepak Chemtex Private Limited	11-108648	Companies Act, 1956	Registrar of Companies, Mumbai	June 10, 1997	Valid till cancelled
2.	Fresh Certificate of Incorporation consequent upon change of registered office of the Company from ROC- Mumbai to ROC- Pune.	U24110PN1997 PTC211935	Companies Act, 2013	Registrar of Companies, Pune.	June 09, 2022	Valid till cancelled

Sr. No	Nature of Registration/ License	CIN/Registration No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
3.	Fresh Certificate of Incorporation consequent upon conversion of name from Deepak Chemtex Private Limited to Deepak Chemtex Limited	U24110PN1997 PLC211935	Companies Act, 2013	Registrar of Companies, Pune	September 04, 2023	Valid till Cancelled

### III. Corporate/General Authorizations:

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAACD4184H	Income Tax Act, 1961	Commissioner of Income Tax	-	Valid until cancelled
2.	Tax Deduction Account Number (TAN)*	MUMD10823B	Income Tax Act, 1961	Income Tax Department	-	Valid until cancelled
3.	Certification of registration of Goods and Service tax	33AAACD4184H1ZV	Goods and Services Tax Act, 2017	Government of India	October 10, 2022	Valid until cancelled
4.	Certification of registration of Goods and Service tax	27AAACD4184H1ZO	Goods and Services Tax Act, 2017	Government of India	July 28, 2018	Valid until cancelled
5.	Certificate of Importer- Exporter Code (IEC)	0399058729	The Foreign Trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade	February 14, 2000	Valid until cancelled
6.	Professional Tax Registration	27980052274P	Maharashtra Sales Tax Department	Government of Maharashtra	April 01, 2009	Valid until cancelled

\*TAN certificate not available

### IV. Approvals obtained in relation to business operations of our Company:

Our Company requires various approvals and/or licenses to carry on our business. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	LEI Certificate	335800RZCYZ721 E48960	Companies Register (Ministry of Corporate Affairs) India RA000394	LEI Register India Private Limited	September 13, 2023	September 23, 2026
2.	Consent to 1st Operate for Expansion by amalgamation with existing consent under RED/SSI	UAN No. 0000131890/CO-2202001698; original consent to operate no. Format 1.0/AS(T)/UAN No.0000096197/C R-2012000439,	Consent under section-25 of the Water (Prevention and Control of Pollution) Act-1974, under section-21 of the Air (Prevention and Control of Pollution)	Assistant Secretary, Maharashtra Pollution Control Board.	December 09, 2020; last updated on February 27, 2022	August 31, 2025

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
		dtd. 09/12/2020	Act-1981 and under rule 6(2) of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules-2016, framed under the Environmental (Protection) Act, 1986.			
3.	Certificate of Compliance Kosher Certificate	QCS-2023-DCPL-0943	For Manufacturing and Export of Dyes and Chemicals by Global Accreditation Certification Board (GACB)	Authorized Signatory Global Accreditation Certification Board (GACB)	August 22, 2023	August 21, 2025
4.	Certificate of Compliance Halal Certificate	QCS-2023-DCPL-0942	For Manufacturing and Export of Dyes and Chemicals by Global Accreditation Certification Board (GACB)	Authorized Signatory Global Accreditation Certification Board (GACB)	August 22, 2023	August 21, 2025
5.	Self-sealing for export of goods under e-sealing procedure	S/6-Gen-Self sealing-571/2020-21 EXP-FSP/625	The Customs Act, 1962	Officer of the Commissioner of Customs (General)	January 07, 2021	December 31, 2023
6.	Certificate of Stability	-	Factory Act 1948 and Rules made therein	Krushna Services, Shrikant P. Yadav, Kolhapur	April 02, 2022	-
7.	Factory License	122802011400410	Factory Act 1948 and Rules made therein	Co- Director Industrial Safety & health Maharashtra, Kolhapur	April 13, 2023	December 31, 2025
8.	Provisional Order for use of a boiler	SB-6/VMB/2023/1399	Section 9 of Indian Boilers Act, 1923	Joint Director of Steam Boilers Maharashtra state, Mumbai	August 02, 2023	January 30, 2024
9.	Udyam Registration	UDYAM-MH-28-0003827	The Micro, Small And Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprise	December 13, 2020	Valid until cancelled
10.	Udhyog Aadhar	MH28B0007768	The Micro, Small And Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprise	December 25, 2018	Valid until cancelled
11.	Certificate of Verification of the	LCR No. CLM11182129	The Legal Metology Act, 2009 & The	Inspector of Legal	December 06, 2022	December 05, 2024

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	weights, measures, etc		Maharashtra Legal Metrology	Metrology		
12.	Membership Certificate from CHEMEXCIL	CHEM/SSM/D-10/2018-19/183123	Basic Chemicals, Cosmetics & Dyes Export Promotion Council	Basic Chemicals, Cosmetics & Dyes Export Promotion Council	September 27, 2023	March 31, 2024

**V. Labour related Approvals obtained by our Company:**

Sr. No.	Nature of Registration/ License	Registration/License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under Employees' State Insurance Corporation (ESIC) for Maharashtra	34000741960000306	E.S.I. Act, 1948 and Registration of Employees of the Factories and Establishments under Section 2(12) of the Act, as amended	Sub-Regional Office, Thane(W)	September 28, 2023	Valid until cancelled
2.	Registration under Employees' Provident Funds	PUKOL0101730000	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Regional Office, Kolhapur	July 01, 2004	Valid until cancelled

**VI. Quality Certifications Approvals obtained by our Company:**

Sr. No.	Description	Registration/ License No.	Nature of Registration	Issuing Authority	Date of Issue	Date of Expiry
1	ISO 9001:2015	19AAACE03108Q	Quality Management System for the following scope of activities: Manufacture and supply of chemical intermediates & dyes stuff	Integrated Quality Certification Private Limited	November, 24, 2022	November 23, 2025

### **OUR GROUP COMPANY**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated September 20, 2023 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions: -

- i. Such Company that forms part of the promoter group of our Company in terms of Regulation 2(1)(PP) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- ii. our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of the total revenue of our Company as per the Restated Financial Information.

Based on the above, none of the companies has been identified as our group Companies

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

#### **Corporate Approvals**

The Board of Directors, pursuant to a resolution passed at their meeting held on September 20, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extraordinary General Meeting held on September 21, 2023 authorized the Issue.

#### **In-principal Approval**

Our Company has obtained in-principal approval from the SME Platform of BSE (BSE SME) for using its name in this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus pursuant to an approval letter dated November 10, 2023 BSE which is the Designated Stock Exchange.

#### **Prohibition by SEBI or governmental authorities**

We confirm that there is no prohibition on our Company, our Promoters, our Promoter Group, our Directors, or the person(s) in control of our Company from accessing or operating in the Capital Markets or debarment from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any securities market regulator in any other jurisdiction or any other authority/ court.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoters, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other regulatory or governmental authority.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter *“Outstanding Litigations and Material Development”* beginning on page 194 of this Red Herring Prospectus.

#### **Association with Securities Market:**

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors in the past 5 years.

#### **Prohibition by RBI:**

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender or a fraudulent borrower and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter *“Outstanding Litigations and Material Development”* beginning on page 194 of this Red Herring Prospectus.

#### **Prohibition with respect to wilful defaulter or a fraudulent borrower**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as wilful defaulter or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

#### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Under the SBO Rules certain persons who are ‘significant beneficial owners’, are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Red Herring Prospectus, there are no such significant beneficial owners in our Company.



## Eligibility for the Issue

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than ten crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “SME Platform of BSE (BSE SME)”].

### We confirm that:

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled **“General Information – Underwriting”** beginning on page 50 of this Red Herring Prospectus.
- b) In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
- c) In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
- d) In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE (BSE SME). For further details of the arrangement of market making please refer to section titled **“General Information- Details of the Market Making Arrangements for this Issue”** beginning on page 57 of this Red Herring Prospectus.
- e) In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
- f) In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
- g) In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of BSE and BSE Ltd. is the Designated Stock Exchange.
- h) In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.
- i) In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
- j) In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated September 28, 2023 and National Securities Depository Limited (NSDL) dated September 29, 2023 for establishing connectivity.
2. Our Company has a website i.e. [www.deepakchemtex.in](http://www.deepakchemtex.in)
3. There has been no change in the promoters of the Company in the preceding one year from date of filing application to SME Platform of BSE.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of BSE:

- 1) Our Company was originally incorporated as a private limited Company under the name of “Deepak Chemtex Private Limited” on June 10, 1997 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai, bearing registration number as 211935. Thereafter, our Company was converted from private limited to public limited and the name of our Company was changed from “Deepak Chemtex Private Limited” to “Deepak Chemtex Limited” vide fresh certificate of incorporation dated September 04, 2023, issued by the Registrar of Companies, Maharashtra, Pune. The Corporate identification number of our Company is U24110PN1997PLC211935.
- 2) The post issue paid up capital of the company will be up to 1,08,64,000 shares of face value of ₹ 10/- aggregating up to ₹ [●] Crores which is less than ₹ 25 Crores.
- 3) The Company has a track record of at least 3 years as on the date of filling Red Herring Prospectus.
- 4) As on March 31, 2023, the Company has net tangible assets of ₹ 436.69 Lakhs.
- 5) The company confirms that it has operating profit (earnings before interest, depreciation and tax) from operations for at least any 3 financial years preceding the application and its net-worth as on March 31, 2023 is positive.

*(Rs. in Lakh)*

Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth	1879.90	1,569.73	938.43	516.51
Operating Profit (EBITDA)	411.38	799.32	592.98	411.84

- 6) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
- 7) Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
- 8) There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
- 9) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
- 10) The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER**

DOCUMENT/ OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Red Herring Prospectus with the Registrar of Companies, Ahmedabad in terms of sections 26 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

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 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Hemant Surgical Industries Limited	24.84	90.00	June 05, 2023	171.00	34.30% [4.23%]	40.41% [4.52%]	N.A.
2.	Greenchef Appliances Limited	53.62	87.00	July 06, 2023	104.00	28.91% [0.51%]	21.72% [-0.31%]	N.A.
3.	Kaka Industries Limited	21.23	58.00	July 19, 2023	110.20	170.78% [-3.20%]	224.57% [-1.00%]	N.A.
4.	Asarfi Hospital Limited	26.94	52.00	July 26, 2023	98.80	154.04% [-2.73%]	84.52% [-3.98%]	N.A.
5.	Kahan Packaging Limited	5.76	80.00	September 15, 2023	152.00	41.19% [-2.46%]	N.A.	N.A.
6.	Madhusudan Masala Limited	23.80	70.00	September 26, 2023	120.00	65.43% [-4.11%]	N.A.	N.A.
7.	Saakshi Medtech And	45.16	97.00	October 03, 2023	146.00	155.10% [-2.03%]	N.A.	N.A.

	Panels Limited							
8.	Arabian Petroleum Limited	20.24	70.00	October 09, 2023	77.40	5.71% [-0.35%]	N.A.	N.A.
9.	E Factor Experiences Limited	25.92	75.00	October 09, 2023	115.00	112.80% [-0.35%]	N.A.	N.A.
10.	Paragon Fine and Speciality Chemical Limited	51.66	100.00	November 03, 2023	225.00	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

- 1) The scrip of Hemant Surgical Industries Limited, Greenchef Appliances Limited, Kaka Industries Limited and Asarfi Hospital Limited has not completed its 180<sup>th</sup> days from the date of listing; Kahan Packaging Limited, Madhusudan Masala Limited, Saakshi Medtech And Panels Limited, Arabian Petroleum Limited and E Factor Experiences Limited has not completed its 90<sup>th</sup> day from the date of listing, Paragon Fine and Speciality Chemical Limited has not completed its 30<sup>th</sup> 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- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> 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%
2021-22	6 <sup>(1)</sup>	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	15 <sup>(2)</sup>	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	11 <sup>(3)</sup>	353.23	-	-	-	6	3	1	-	-	-	-	-	-

- 1) The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively;
- 2) 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;
- 3) 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, and Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023.

#### Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.

- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) 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.

### **Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at [www.hemsecurities.com](http://www.hemsecurities.com).

### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or, in case of the Company, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM (Hem securities Limited), and our Company on September 28, 2023 and the Underwriting Agreement dated October 23, 2023 entered into between the Underwriter, and our Company and the Market Making Agreement dated October 23, 2023 and addendum thereon dated November 20, 2023 entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

### **Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is

unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Pune, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter November 10, 2023 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **Filing of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with the SEBI/ RoC**

The Red Herring Prospectus is being filed with BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India.

The Draft Red Herring Prospectus was not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC through the electronic portal at <https://www.mca.gov.in> and a copy of the Prospectus to be filed under section 26 of the Companies Act, 2013 would be filed with the RoC through the electronic portal at <https://www.mca.gov.in>



## **Listing**

The Equity Shares of our Company are proposed to be listed on BSE SME. Our Company has obtained in-principle approval from BSE Limited by way of its letter dated November 10, 2023 for listing of equity shares on SME Platform of BSE (BSE SME).

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the BSE SME is not granted by BSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within the prescribed time, then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within Six (6) Working Days of the Bid/Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

## **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

## **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank, Syndicate Members, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. A D V & Associates, Chartered Accountants, Statutory Auditors of the Company and the Peer reviewed Auditor has agreed to provide their written consent to the inclusion of their respective reports on Statement of Special Tax Benefits relating to the special tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

## **Experts Opinion**

Except for the reports mentioned in the section titled "*Financial Information of the Company*" and "*Statement of Special Tax Benefits*" on page 147 and page 86, our company has not obtained any expert opinions except we have received consent from the Peer Review Auditors of the Company to include their name as an expert in this Draft Red

Herring Prospectus in relation to the (a) Peer Review Auditor's Report on the Restated Consolidated Financial Statements; and (b) Statement of Tax Benefits (c) Statement of Financial Indebtedness and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act, 1933.

#### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated September 28, 2023 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated October 23, 2023 with the Underwriter and (iii) the Market Making Agreement October 23, 2023 and addendum dated November 20, 2023 with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 AM to 5.00 PM on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated September 30, 2023 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

#### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Red Herring Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled "*Capital Structure*" beginning on page 59 of this Red Herring Prospectus.

#### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

#### **Performance vis-a-vis objects – Public/ Right issue of our Company:**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 59. Our company has not undertaken any previous public or right issue.

#### **Performance vis-a-vis objects – Last Issue of Subsidiary Companies:**

As on the date of this Red Herring Prospectus, our Company does not have any Subsidiary.

#### **Option to Subscribe:**

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares

#### **Partly Paid-Up Shares**

As on the date of this Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.



## **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Red Herring Prospectus.

## **Stock Market Data for our Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

## **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of this Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Sonam Sharma, as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

### **Sonam Sharma**

Company Secretary and Compliance Officer

### **Deepak Chemtex Limited**

**Address:** Aawashi, 28/1A, A/P Adgul Aawashi, Lote, Ratnagiri Maharashtra-415722, India.

**Tel. No.:** +91 88706 82632

**Email:** [cs@deepakchemtex.in](mailto:cs@deepakchemtex.in)

**Website:** [www.deepakchemtex.in](http://www.deepakchemtex.in)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Board by a resolution on September 20, 2023 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled ***“Our Management”*** beginning on page 128 of this Red Herring Prospectus.

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled ***“Statement of Special Tax Benefits”*** beginning on page 86 of this Red Herring Prospectus.

### **Purchase of Property**

Other than as disclosed in Section ***“Our Business”*** beginning on page 103 of this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

### **Capitalization of Reserves or Profits**

Save and except as stated in ***“Capital Structure”*** on page 59 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### **Revaluation of assets**

There has not been any revaluation of assets since incorporation of the Company.

### **Servicing Behavior**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled ***“Our Management”*** beginning on page 128 and chapter ***“Financial Information”*** beginning on page 147 of this Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

### **Exemption from complying with any provisions of securities laws, if any**

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

## **SECTION VIII: ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/ or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/ or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of up to 28,80,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on September 20, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meeting held on September 21, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “**Main Provisions of Article of Association**”, beginning on page 255 of this Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI Listing Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital

requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled “*Dividend Policy*” and “*Main Provisions of Article of Association*” beginning on page 146 and 255 respectively of this Red Herring Prospectus.

### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and Marathi edition of Ratnagiri Times, a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI Listing Regulations, MOA and AOA of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled “*Main Provisions of the Articles of Association*” beginning on page 255 of this Red Herring Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated September 29, 2023 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated September 28, 2023 between CDSL, our Company and Registrar to the Issue.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE SME i.e. SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Ratnagiri, Maharashtra, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may

thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Period of Subscription List of Public Issue

Event	Indicative Dates
Bid/ Issue Opening Date	Wednesday, November 29, 2023 <sup>1</sup>
Bid/ Issue Closing Date	Friday, December 01, 2023 <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	Wednesday, December 06, 2023
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	Thursday, December 07, 2023
Credit of Equity Shares to Demat Accounts of Allottees	Friday, December 08, 2023
Commencement of Trading of The Equity Shares on the Stock Exchange	Monday, December 11, 2023

*Note* <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may 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 in accordance with the SEBI ICDR Regulations

<sup>2</sup>Our Company 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.

\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid-Cum- Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid-Cum-Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE SME taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by

obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum-Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled ***“General Information - Underwriting”*** on page 56 of this Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above Rs. 25.00 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board. Or

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores and if the company fulfills the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the BSE SME i.e. SME platform of BSE, wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE.

For further details of the agreement entered into between the Company the BRLM and the Market Maker please refer to section titled ***“General Information - Details of the Market Making Arrangements for this Issue”*** on page 57 of this Red Herring Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue:**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form



on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled "**Capital Structure**" beginning on page 59 of this Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 255 of this Red Herring Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“*SME Exchange*”, in this case being the BSE SME i.e. SME platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 213 and 224 of this Red Herring Prospectus.

### Issue Structure:

Initial Public Issue of upto 28,80,000 Equity Shares of ₹10 each (*the “Equity Shares”*) for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs (*“the Issue”*) by the issuer Company (*the “Company”*).

The Issue comprises a reservation of upto 1,47,200 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (*“the Market Maker Reservation Portion”*) and Net Issue to Public of upto 27,32,800 Equity Shares of ₹ 10 each (*“the Net Issue”*). The Issue and the Net Issue will constitute 26.51% and 25.15%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	Upto 1,47,200 Equity Shares	Not more than 13,64,800 Equity Shares	Not less than 4,11,200 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not less than 9,56,800 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
<b>Percentage of Issue Size available for allocation</b>	5.11% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Issue less allocation to QIB Bidders and RIBs will be available for allocation.	Not less than 35% of the Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity	Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion,	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any,

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		<p>Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>	and the remaining Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “ <i>Issue Procedure</i> ” beginning on page 224 of this Red Herring Prospectus.	shall be allotted on proportionate basis. For details, see “ <i>Issue Procedure</i> ” beginning on page 224 of this Red Herring Prospectus.
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

- (1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*
- (3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

The Bids by FPIs with certain structures as described under **“Issue Procedure - Bids by FPIs”** on pages 224 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

#### **Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Red Herring Prospectus with RoC.

#### **Issue Program**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Issue Opening Date	Wednesday, November 29, 2023 <sup>1</sup>
Bid/ Issue Closing Date	Friday, December 01, 2023 <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	Wednesday, December 06, 2023
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account	Thursday, December 07, 2023

Credit of Equity Shares to Demat accounts of Allottees	Friday, December 08, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	Monday, December 11, 2023

*Note <sup>1</sup>Our Company in consultation with the Book Running Lead Manager, may 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 in accordance with the SEBI ICDR Regulations.*

*<sup>2</sup>Our Company 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.*

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid-Cum- Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- a) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## **ISSUE PROCEDURE**

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL2/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to

streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour*</b>
Anchor Investor**	[•]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[•]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[•]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.



Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4.	A depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **Availability of Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies

applicable to them.

#### **Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi Edition of Regional newspaper Ratnagiri Times where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Marathi Edition of Regional newspaper Ratnagiri Times where the registered office of the company is situated, each with wide circulation and also by indicating

the change on the websites of the Book Running Lead Manager.

- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “**Issue Procedure**” beginning on page 224 of this Red Herring Prospectus.
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Bidders**

1. Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the

Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200.00 lakhs

- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRIS:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I



AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed

under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the

Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB’S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — “DEEPAK CHEMTEX LIMITED – ANCHOR R ACCOUNT ”
- b. In case of Non-Resident Anchor Investors: — “DEEPAK CHEMTEX LIMITED – ANCHOR NR ACCOUNT ”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the

technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated October 23, 2023
- b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

**Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the



- Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
  23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
  24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
  25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
  26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other instructions for the Bidders**

**Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in

the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

### **Investor Grievance**

In case of any pre-issue or post issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

### **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

- a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders),the Depository Participant's identity (DP ID) and

- the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at

the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
  - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

d. **ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;

a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and

- in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of

Shares worked out as per (b) above.

- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- .Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Executive Director/ Managing Director of BSE – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and

3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

#### **“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter ‘s contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;



- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated September 29, 2023 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated September 28, 2023 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE0RDM01013

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs

under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such Issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on September 21, 2023 In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

### **INTERPRETATION**

- I 1. In these regulations-
  - b. "the Act" means the Companies Act, 2013,
  - c. "the seal" means the common seal of the company.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

### **SHARE CAPITAL AND VARIATION OF RIGHTS**

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.
  - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.
  - iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3.
  - i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5.
  - i. The company may exercise the powers of paying commissions conferred by sub-section (6) of

section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

- ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

9. i. The company shall have a first and paramount lien
- a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- iii. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made-
- a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
- ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the

sale.

12.
  - i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### **CALLS ON SHARES**

13.
  - i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - iii. A call may be revoked or postponed at the discretion of the Board.
  - iv. That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

17.
  - i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board -
  - a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and
  - b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **TRANSFER OF SHARES**

19.
  - i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

- ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
  - iii. That a common form of transfer shall be used
20. i. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - iii. any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless—
- a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c. the instrument of transfer is in respect of only one class of shares.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **TRANSMISSION OF SHARES**

23. i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- iii. That a common form of transmission shall be used
24. i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- a. to be registered himself as holder of the share; or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
- ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer



were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

### **FORFEITURE OF SHARES**

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall-
- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30.
  - i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31.
  - i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32.
  - i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum

which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **ALTERATION OF CAPITAL**

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution-
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and
  - iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
  - v. Permission for sub-division/ consolidation of share certificates
36. Where shares are converted into stock,—
- the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
  - Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-
- its share capital;
  - any capital redemption reserve account; or
  - any share premium account.

#### **CAPITALISATION OF PROFITS**

38. The company in general meeting may, upon the recommendation of the Board, resolve-
- i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
  - ii. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- iii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
    - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
    - c. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
  - iv. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
  - v. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
- 39.
- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall-
    - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all
    - b. allotments and issues of fully paid shares if any; and
    - c. generally do all acts and things required to give effect thereto.
  - ii. The Board shall have power-
    - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
    - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
  - iii. Any agreement made under such authority shall be effective and binding on such members

#### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
- 42.
- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 43.
- i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **ADJOURNMENT OF MEETING**

47. i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING RIGHTS**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,
- i. on a show of hands, every member present in person shall have one vote;
- ii. and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- iii. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54. i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

## **PROXY**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **BOARD OF DIRECTORS**

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:
1. Mr. Anandkumar Chaubey
  2. Mrs. Neelima Deepak Arora
  3. Mrs. Renu Ajay Narula
  4. Mrs. Saloni Vijay Narula
59. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
- in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

## **PROCEEDINGS OF THE BOARD**

65. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. i. A committee may elect a Chairperson of its meetings.
- ii. If no such Chairperson is elected, or if at any meeting the 72 Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. i. A committee may meet and adjourn as it thinks fit.
- ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

## **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

74. Subject to the provisions of the Act,
- i. A chief executive officer, manager, company secretary or chief financial officer may be appointed

by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

- ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer

75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

- 76. i. The Board shall provide for the safe custody of the seal.
- ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

- 79. i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

- ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

- iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

- 82. i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by

cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

- ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

#### **ACCOUNTS**

86. i. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- ii. No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **WINDING UP**

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
  - ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
  - iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **INDEMNITY**

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Red Herring Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Issue Agreement dated September 28, 2023 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated September 30, 2023 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated November 15, 2023 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated October 23, 2023 and Addendum to Market Maker agreement dated November 20, 2023 between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated October 23, 2023 between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated November 08, 2023 between our Company, Book Running Lead Manager and Registrar to the Issue and Syndicate Members
7. Tripartite Agreement dated September 28, 2023 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated September 29, 2023 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated June 10, 1997 issued by the Registrar of Companies, Mumbai.
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 21, 2023 issued by the Registrar of Companies, Pune.
4. Copy of the Board Resolution dated September 20, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated September 21, 2023 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the stub period ended on September 30, 2023 and financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
7. Statutory Auditors Report dated November 08, 2023 on the Restated Financial Statements for the stub period ended on September 30, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.
8. Copy of the Statement of Tax Benefits dated September 29, 2023 from the Statutory Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated November 08, 2023.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Syndicate Member, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated September 30, 2023 for approval of Draft Red Herring Prospectus, dated November 21, 2023 for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated September 30, 2023.
13. Approval from BSE vide letter dated November 10, 2023 to use the name of BSE in the Prospectus for listing of Equity Shares on the BSE SME (SME Platform) of the BSE Limited.

### 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 Red Herring Prospectus 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 Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Saurabh Deepak Arora</b> Chairman & Managing Director DIN: 00404150	Sd/-

**Date:** November 21, 2023

**Place:** London, UK

### 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 Red Herring Prospectus 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 Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS AND CFO OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Trishla Baid</b> Whole- Time Director & Chief Financial Officer DIN: 07063446 PAN: AAIPB1770G	Sd/-

**Date:** November 21, 2023

**Place:** London, UK

### **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 Red Herring Prospectus 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 Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Rajesh Kalikaprasad Tiwari</b> Executive Director DIN: 07238431	Sd/-

**Date:** November 21, 2023

**Place:** Ratnagiri

### 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 Red Herring Prospectus 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 Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Narendra Kumar Baid</b> Non- Executive Director DIN: 06414420	Sd/-

**Date:** November 21, 2023

**Place:** Chennai

### 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 Red Herring Prospectus 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 Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Pinki Kedia</b> Independent Director DIN: 08455451	Sd/-

**Date:** November 21, 2023

**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 Red Herring Prospectus 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 Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Gautam Lath</b> Independent Director DIN: 10198794	Sd/-

**Date:** November 21, 2023

**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 Red Herring Prospectus 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 Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Sonam Sharma</b> Company Secretary and Compliance officer M.No.: ACS-52445	Sd/-

**Date:** November 21, 2023

**Place:** Mumbai