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**DRAFT RED HERRING PROSPECTUS**

100% Book Built Issue

Dated: July 06, 2024

Please read Section 26 and 32 of the Companies Act, 2013

(This Draft Red Herring Prospectus will be updated upon filing with the RoC)



**UNILEX COLOURS AND CHEMICALS LIMITED**

CIN: U74999MH2001PLC131352

Registered Office	Contact Person	Email and Telephone	Website
106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra	Gourav Mundra, Company Secretary & Compliance Officer	<b>E-mail:</b> cs@unilexcolours.in <b>Tel No:</b> +91-22-28886235	https://unilexcolours.in/

<b>Promoter of the Company</b>	Purushottam Brijlal Sharma, Narendra Parameswarappa Kotehall, Aditya Sharma, Manojkumar Shyamsunder Sharma, Rohit Krishnakumar Sharma and Kabir Radheyshyam Sharma
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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	up to 36,00,000 Equity Shares aggregating up to ₹[●] lakhs	Nil	[●]	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 74 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 23 of this Draft Red Herring Prospectus.


**ISSUER ABSOLUTE RESPONSIBILITY**

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


**LISTING**

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE (“NSE **Emerge**”). 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 National Stock Exchange of India Limited (“NSE”).

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>HEM SECURITIES LIMITED</b>	Neelkanth Agarwal/ Deeksha Kaku	<b>Email:</b> ib@hemsecurities.com; <b>Tel. No.:</b> +91- 022- 49060000

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>LINK INTIME INDIA PRIVATE LIMITED</b>	Shanti Gopalkrishnan	<b>Email:</b> unilex.smeipo@linkintime.co.in; <b>Tel No:</b> +91-8108114949

**BID/ISSUE PERIOD**

<b>ANCHOR PORTION ISSUE OPENS/ CLOSES ON*:</b> [●]	<b>BID/ ISSUE OPENS ON:</b> [●]	<b>BID/ ISSUE CLOSES ON**:</b> [●]***
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\*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

\*\*\*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.



## UNILEX COLOURS AND CHEMICALS LIMITED

CIN: U74999MH2001PLC131352

Our Company was originally incorporated as a Public Limited Company under the name of "Unilex Exports Limited" on March 23, 2001 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U24239MH2001PLC131352. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 26, 2012, the name of our Company was changed from "Unilex Exports Limited" to "Unilex Colours and Chemicals Limited" and a fresh certificate of incorporation consequent upon Change of Name was issued by the Registrar of Companies, Mumbai, Maharashtra vide certificate dated April 14, 2012 bearing CIN U74999MH2001PLC131352. For further details of Incorporation, change of name and registered office of our Company, please refer to chapter titled "History and Corporate Structure" beginning on page 112 of this Draft Red Herring Prospectus.

**Registered Office:** 106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra.

**Tel No:** +91-22-28886235; **E-mail:** cs@unilexcolours.in; **Website:** https://unilexcolours.in/

**Contact Person:** Gourav Mundra, Company Secretary & Compliance Officer

**Promoter of our Company:** Purushottam Brijlal Sharma, Narendra Parameswarappa Kotehall, Aditya Sharma, Manojkumar Shyamsunder Sharma, Rohit Krishnakumar Sharma and Kabir Radheeshyam Sharma

## DETAILS OF THE ISSUE

**INITIAL PUBLIC OFFER OF UPTO 36,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF UNILEX COLOURS AND CHEMICALS LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,92,000 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 34,08,000 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 26.44% AND 25.03% 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 [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND HINDI EDITION OF [●], REGIONAL NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MUMBAI 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 NSE ("NSE EMERGE ") 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 211 of this Draft Red Herring Prospectus.

## ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 211 of this Draft 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 74 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 23 of this Draft Red Herring Prospectus.

## ISSUER ABSOLUTE RESPONSIBILITY

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

## LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE ("NSE EmERGE"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in the Issue Document for listing of our shares on the SME Platform of NSE ("NSE EmERGE"). For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

## BOOK RUNNING LEAD MANAGER TO THE ISSUE

## REGISTRAR TO THE ISSUE



**HEM SECURITIES LIMITED**  
**Address:** 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India  
**Tel. No.:** +91- 22- 49060000  
**Email:** ib@hemsecurities.com  
**Investor Grievance ID:** redressal@hemsecurities.com  
**Contact Person:** Neelkanth Agarwal/ Deeksha Kaku  
**Website:** www.hemsecurities.com  
**SEBI Regn. No.** INM000010981



**LINK INTIME INDIA PRIVATE LIMITED**  
**Address:** C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 Maharashtra, India  
**Tel No:** +91-8108114949  
**Email:** unilex.smeipo@linkintime.co.in  
**Investor Grievance ID:** unilex.smeipo@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**Website:** www.linkintime.co.in  
**SEBI Regn. No:** INR000004058

## BID/ISSUE PERIOD

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

BID/ISSUE OPENS ON\*\*: [●]

BID/ISSUE CLOSES ON\*\*: [●]\*\*

\*Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

\*\*Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI (ICDR) Regulations.

\*\*\*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Issue Closing Day.

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**SECTION I – GENERAL****DEFINITIONS AND ABBREVIATIONS**

*This Draft 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 Draft 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, 1992(“SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on 79, 137 and 239 respectively, shall have the meaning ascribed to such terms in such sections.*

**General Terms**

<b>Terms</b>	<b>Description</b>
“UCCL”, “the Company”, “our Company”, “Issuer” and “Unilex Colours and Chemicals Limited”	Unilex Colours and Chemicals Limited, a Company incorporated in India under the Companies Act, 1956, having its Registered office at 106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, 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 of Association	Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as described in the chapter titled “ <b>Our Management</b> ” beginning on page 116 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. Mittal & Associates (FRN: 106456W).
Bankers to our Company	ICICI Bank Limited
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 116 of this Draft Red Herring Prospectus.
Chairman	The Chairman of our Company is Purushottam Brijlal Sharma
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company is Shankarlal Kedarmal Agarwal
CIN	Corporate Identification Number being U74999MH2001PLC131352.
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 Gourav Mundra (M. No. A57294).
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Section 135 of the Companies Act and as described in the chapter titled “ <b>Our Management</b> ” beginning on page 116 of this Draft Red Herring Prospectus
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 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 116 of this Draft 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.

Term	Description
Equity Shares	Equity Shares of the Company of face value of ₹ 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
Factory	The factory of the company is situated at E-10/2 MIDC, Tarapur Indl. Area, Boisar Palghar-401506 Maharashtra
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
ISIN	International Securities Identification Number, in this case being INE0B2801011.
IT Act	The Income Tax Act, 1961 as amended till date.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the SEBI (LODR) Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 116 of this Draft Red Herring Prospectus.
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 116 of this Draft Red Herring Prospectus.
LLP	Limited Liability Partnership
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Unilex Colours and Chemicals Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Aditya Sharma
Materiality Policy	The policy adopted by our Board on May 13, 2024 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 116 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt instruments) Rules, 2019
Promoters	Shall mean promoters of our Company i.e., Purushottam Brijlal Sharma, Narendra Parameswarappa Kotehall, Aditya Sharma, Manojkumar Shyamsunder Sharma, Rohit Krishnakumar Sharma and Kabir Radheyshyam Sharma. For further details, please refer to section titled <b>“Our Promoters &amp; Promoters Group”</b> beginning on page 130 of this Draft 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 &amp; Promoters Group”</b> beginning on page 130 of this Draft Red Herring Prospectus.
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.
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 106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Restated Financial statements of our Company, comprising of the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and the Restated Statements of Profit and Loss and Cash Flow and for the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 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, Mumbai 100, Everest, Marine Drive, Mumbai-400002, Maharashtra.
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.

Term	Description
SEBI (FVCI) Regulations	Securities Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended from time to time.
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/ 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.
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 " <i>Our Management</i> " beginning on page 116 of this Draft Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India 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 being Purushottam Brijlal Sharma, Radheyshyam Brajlal Sharma, Shyamsunder Brijlal Sharma, Krishnakumar Madanmohan Sharma, Narendra Parameswarappa Kotehall, Aditya Sharma and Manjula Sharma.

**Issue Related Terms**

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted 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.

<b>Terms</b>	<b>Description</b>
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 [●] 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 [●]
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 211 of this Draft 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 in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] 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 in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] 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.
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
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers 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.

<b>Terms</b>	<b>Description</b>
Broker Centers	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, 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 Bidder 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 Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidder can submit the Bid-Cum-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., <a href="http://www.nseindia.com">www.nseindia.com</a>
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	Hem Finlease Private Limited
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.nseindia.com">www.nseindia.com</a>
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid-Cum-Application Form from the Bidder 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
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Designated Stock Exchange	National Stock Exchange of India Limited (NSE Emerge i.e., SME platform of NSE)
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated July 06, 2024 issued in accordance with Sections 26 & 32 of the Companies Act, 2013



Terms	Description
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 Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
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.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
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
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, 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, 1995, as amended
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 circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time
Issue Agreement	The Issue Agreement dated June 24, 2024 between our Company and Book Running Lead Manager.
Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO	The Initial Public Issue of upto 36,00,000 Equity shares of ₹ 10/- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs
Issue Price	The final price at which the Equity shares will be allotted in terms of the Red Herring Prospectus and the Prospectus, as determined by our company in consultation with BRLM on the Pricing date in accordance with the Book-Building process and the Red Herring Prospectus.
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 67 of this Draft Red Herring Prospectus
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	Member Brokers of NSE who are specifically registered as Market Makers with the NSE (SME platform). In our case, Hem Finlease Private Limited is the sole Market Marker
Market Making Agreement	The Market Making Agreement dated June 24, 2024 between our Company, Book Running Lead Manager and Market Maker, Hem Finlease Private Limited.
Market Maker Reservation Portion	The reserved portion of 1,92,000 Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
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.

Terms	Description
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 34,08,000 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 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
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 67 of this Draft Red Herring Prospectus.
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 [●] 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.
Non – Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Other Investor	Investors other than Retail Individual Investors. These include individual Bidders 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 Sections 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 ASBA Accounts and from the Escrow Accounts in case of Anchor Investor(s), 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 [●] 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 offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
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.

<b>Terms</b>	<b>Description</b>
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 [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership either NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Link Intime India Private Limited.
Registrar Agreement	The agreement dated June 24, 2024 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.
Refund Account(s)	Accounts to which the monies to be refunded to the Bidders is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
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 Bidders as provided under the SEBI (ICDR) Regulations, 2018.
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 [●] 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.
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.
SEBI SAST/ SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
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.
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SME Exchange	SME Platform of the National Stock Exchange of India Limited i.e., “NSE Emerge”
SEBI (PFUTP) Regulations/ PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Specified Securities	Equity shares offered through this Draft 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.
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.
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 NSE 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.

<b>Terms</b>	<b>Description</b>
Syndicate Agreement	The agreement dated [●] 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 Centers 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 [●].
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 Bidder as proof of registration of the Application.
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, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated June 24, 2024 entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, 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 Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
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 PIN	Password to authenticate UPI transaction
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
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund/VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s) or a fraudulent borrower	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations.
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>
AIFs	Alternative Investment Funds
B2B	Business to Business
BIS	Bureau of Indian Standards
COVID-19	coronavirus disease 2019
CPC	Copper phthalocyanine Crude
DPIIT	Department for Promotion of Industry and Internal Trade
ECLGS	Emergency Credit Linked Guarantee Scheme
EMDE	Emerging Market and Developing Economies
FPI	Foreign Portfolio Investment
GACL	Gujarat Alkalies and Chemicals Limited
GDP	Gross domestic product
HDPE	High-Density Polyethylene
HM	High molecular
ICC	Indian Chemical Council
ISO	Indian Standard Organisation
JNPT	Jawaharlal Nehru Port
LIC	Low-income countries
LMT	lakh metric tonnes
MIDC	Maharashtra Industrial Development Corporation
MNCs	Multinational Corporation
MSME	Micro, Small, and Medium Enterprises
MTPA	metric tonnes per annum
ONGC	Oil and Natural Gas Corporation
OPAL	ONGC Petro additions Limited
PCPIR	Petroleum, Chemicals and Petrochemicals Investment Regions
pH Meter	pouvoir hydrogène meter
PLI	production-linked incentive
PPP	Public-Private Partnership
QC	Quality Control
QMS	Quality Management System
REACH	Registration, Evaluation, Authorisation and restriction of Chemicals
UV	Ultraviolet

**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.A.	Bachelor of Arts
B.Com	Bachelor of Commerce
B.E.	Bachelor of Engineering
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
BSE	BSE Limited
BRLM	Book Running Lead Manager
CDSL	Central Depository Services (India) Limited

<b>Abbreviation</b>	<b>Full Form</b>
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
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
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 Installment
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
FIIIs	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

<b>Abbreviation</b>	<b>Full Form</b>
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	InformationTechnologyAct,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	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
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
NRI	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited

<b>Abbreviation</b>	<b>Full Form</b>
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.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
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 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 SBEBWE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index



<b>Abbreviation</b>	<b>Full Form</b>
SICA	The 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
US/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.
Willful Defaulter(s)	Company or person categorised as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter 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 Draft 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.

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

**Certain Conventions**

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

In this Draft 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 Draft 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 Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial information prepared for the Financial year March 31, 2024, March 31, 2023 and March 31, 2022 in accordance with Accounting Standards (Indian GAAP), the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 137 of this Draft Red Herring Prospectus.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data.

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 Draft 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 137 of this Draft Red Herring Prospectus. As on date of the Draft Red Herring Prospectus we do not have any subsidiary or associate company. 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 Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 239 of the Draft 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 Draft 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 Draft 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 74 of the Draft 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 Draft 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 23, 91 and 171 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Draft 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 Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft 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. Performance of the chemicals industries in India;
2. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
3. Disruption in our manufacturing facilities.
4. Disruption in supply of Raw Materials;
5. Our ability to respond to technological changes;
6. Adverse natural calamities having significant impact on regions where we are having projects under implementation;
7. Any change in government policies resulting in increases in taxes payable by us;
8. Changes in laws and regulations that apply to the industries in which we operate.
9. Our ability to grow our business;
10. General economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company’s ability to successfully implement its growth strategy and expansion plans;
13. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. Inability to successfully obtain necessary approvals, licenses, registrations and permits in a timely manner or at all;
15. Conflicts of interest with affiliated companies, the promoter group and other related parties;
16. Any adverse outcome in the legal proceedings in which we are involved;
17. Conflict of Interest with affiliated companies, the promoter group and other related parties; and
18. Global distress due to pandemic, war or by any other reason.

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 23, 91 and 171 respectively of the Draft 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 DRAFT RED HERRING PROSPECTUS****A. SUMMARY OF BUSINESS**

Company is engaged in the manufacturing of Pigment, and the trading of chemicals and food colours. Our products find diverse applications across various industries such as plastic, rubber, textiles, paper, printing inks, paints and coating. Within Pigments, we specialize in Pigment Blue 15:3 and 15:4, with an annual production capacity of 1878 MTPA. Our products are marketed under the registered brand name “Unilex.” We cater to both domestic and international markets, providing a wide range of pigment solutions for various industries

For further details please refer to the chapter titled “**Our Business**” beginning on page 91 of this Draft Red Herring Prospectus.

**B. SUMMARY OF INDUSTRY**

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).

For further details please refer to the chapter titled “**Industry Overview**” beginning on page 81 of this Draft Red Herring Prospectus.

**C. PROMOTER**

The promoters of our company are Purushottam Brijlal Sharma, Narendra Parameswarappa Kotehall, Aditya Sharma, Manojkumar Shyamsunder Sharma, Rohit Krishnakumar Sharma and Kabir Radheyshyam Sharma.

**D. SIZE OF THE ISSUE**

Initial public offer consisting of up to 36,00,000 Equity shares of face value of ₹10.00 each (“equity shares”) of Unilex Colours and Chemicals Limited (the “Company” or the “Issuer”) for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share (the “Issue Price”) aggregating to ₹ [●] Lakh (“The Issue”), of which 1,92,000 equity shares of face value of ₹ 10.00 each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakh will be reserved for subscription by market maker to the Issue (the “Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e., Net Issue of 34,08,000 equity shares of face value of ₹ 10.00 each at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakh herein after referred to as the “Net Issue”. The Issue and the Net Issue will constitute 26.44% and 25.03% respectively of the post offer paid up equity share capital of the company.

**E. OBJECTS OF THE ISSUE**

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

		(₹ in Lakhs)
Sr. No	Particulars	Amount
1.	To meet Working Capital requirements	[●]
2.	Repayment of a portion of certain borrowing availed by our Company	1,000.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

**F. PRE-ISSUE SHAREHOLDING OF PROMOTERS & PROMOTER GROUP**

The aggregate pre-issue shareholding of the promoter and promoter group as a percentage of the paid-up capital of the issuer is as below:

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1.	Aditya Sharma	22,53,000	22.49	22,53,000	[●]
2.	Manojkumar Shyamsunder Sharma	22,50,000	22.46	22,50,000	[●]
3.	Rohit Krishnakumar Sharma	22,50,000	22.46	22,50,000	[●]
4.	Kabir Radheyshyam Sharma	22,50,000	22.46	22,50,000	[●]
5.	Purushottam Brijlal Sharma	8,58,000	8.57	8,58,000	[●]

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
6.	Narendra Parameswarappa Kotehall	1,44,000	1.44	1,44,000	[●]
	<b>Sub Total (A)</b>	<b>1,00,05,000</b>	<b>99.88</b>	<b>1,00,05,000</b>	<b>[●]</b>
	<b>Promoter Group</b>				
7.	Radheyshyam Brajlal Sharma	3,000	0.03	3,000	[●]
8.	Shyamsunder Brijlal Sharma	3,000	0.03	3,000	[●]
9.	Krishnakumar Madanmohan Sharma	3,000	0.03	3,000	[●]
10.	Manjula Sharma	3,000	0.03	3,000	[●]
	<b>Sub Total (B)</b>	<b>12,000</b>	<b>0.12</b>	<b>12,000</b>	<b>[●]</b>
	<b>Grand Total (A+B)</b>	<b>1,00,17,000</b>	<b>100.00</b>	<b>1,00,17,000</b>	<b>[●]</b>

## G. SUMMARY OF FINANCIAL INFORMATION

Following are details as per the restated financial statements for the financial year ended March 31, 2024, March 31, 2023, and March 31, 2022 are as below:

(₹ in Lakhs)				
Sr. No.	Particulars	March 31, 2024	March 31, 2023	March 31, 2022
1.	Paid up Share Capital	1,001.70	333.90	333.90
2.	Net worth	3,686.00	3,202.89	2,805.98
3.	Total Net Revenue (Operations)	14,385.01	13,939.03	14,527.46
4.	Profit After Tax	616.67	497.07	471.17
5.	Earnings Per Share – Basic/Diluted	6.16	4.96	4.70
6.	NAV per Equity Shares (Post Bonus)	36.80	31.97	28.01
7.	Total Borrowing	2,161.40	1,166.83	1,135.09

## H. AUDITORS QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

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

## I. SUMMARY OF OUTSTANDING LITIGATIONS

Except as mentioned below, as on the date of Draft Red Herring Prospectus our Company is not involved in any legal proceedings:

**Litigations/Matters involving our Company: -**

(in ₹ Lakhs)		
Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lakhs)
<b>Tax proceedings:</b>		
Direct Tax	2	1.94
Indirect Tax	8	51.97
<b>Total</b>	<b>10</b>	<b>53.91</b>

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 179 of this Draft Red Herring Prospectus.

## J. RISK FACTORS

Please see “*Risk Factors*” beginning on page 23 of this Draft Red Herring Prospectus.

## K. SUMMARY OF CONTINGENT LIABILITIES OF THE COMPANY

Following is the summary of the Contingent Liabilities of the Company for financial year 2024, 2023 and 2022:

Particulars	(₹ in Lakh)		
	As at March 31,		
	2024	2023	2022
In Respect of GST	51.97	28.98	-
In Respect of Income Tax & TDS	1.94	1.88	1.88
<b>TOTAL</b>	<b>53.91</b>	<b>30.86</b>	<b>1.88</b>

For detailed information on the Contingent Liabilities on our Company, please refer “*Annexure-XXIX*” under Chapter titled “*Restated Financial Information*” beginning on page no 161 of this Draft Red Herring Prospectus.

**L. SUMMARY OF RELATED PARTY TRANSACTIONS**

As required under Accounting Standard 18 “Related Party Disclosures” as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

**(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
Aditya Sharma	Managing Director
Manojkumar Shyamsunder Sharma	Executive Director
Rohit Krishankumar Sharma	Executive Director
Kabir Radheyshyam Sharma	Executive Director
Purushottam Brijlal Sharma	Executive Director
Narendra Parmeswarappa Kotehall	Executive Director
Daya Amit Bansal	Non-Executive Director
Ketan Damji Saiya	Non-Executive Director
Amit Kumra Mundra	Non-Executive Director
Shankarlal Kedarmal Agarwal	Chief Financial Officer
Gourav Mundra	Company Secretary
Krishnakumar Madanmohan Sharma	Relative of Director
Manjula Sharma	Relative of Director
Radheshyam Brajlal Sharma	Relative of Director
Shyamsunder Brijmohan Sharma	Relative of Director
Namrata Sharma	Relative of Director
Ritu Sharma	Relative of Director
Tanya Manoj Sharma	Relative of Director

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

- Chemi Udyog
- Unisynth Chemicals
- Vardhaman Dye-Stuff Industries Private Limited
- Unisynth Overseas Limited
- Taizhou Xiaqi Import and Export Company Limited

**(iii) Details of transactions with related parties and balances****(₹ In Lakhs)**

Name	Relationship	Nature of transaction	31 March 2024		31 March 2023		31 March 2022	
			Amount of transaction during the year	Balance as at 31 March 2024 Receivables/ (Payables)	Amount of transaction during the year	Balance as at 31 March 2023 Receivables/ (Payables)	Amount of transaction during the year	Balance as at 31 March 2022 Receivables/ (Payables)
Chemi Udyog	Entity controlled or jointly controlled by Director/Directors	Rent	7.08	(71.58)	7.08	-	7.08	(16.76)
		Purchase	139.19		125.76		75.70	
Unisynth Chemicals	Entity controlled or jointly controlled by Director/Directors	Sales	275.26	-	444.92	-	451.78	117.72
		Purchase	1,011.88		786.25		637.75	
Vardhaman Dye-Stuff Industries Private Limited	Entity controlled or jointly controlled by Director/Directors	Sales	1,102.38	792.48	236.43	502.19	5.11	449.55
		Purchase	2,200.15		839.86		310.25	
		Advance Given	-	-	-	600.03		
Taizhou Xiaqi Import and Export Company Limited	Entity controlled or jointly controlled by Director/Directors	Purchase	27.72	220.94	-	-	-	-
		Advance Given	219.27		-		-	
		Sales	21.32	-	7.55	-	-	

Name	Relationship	Nature of transaction	31 March 2024		31 March 2023		31 March 2022	
			Amount of transaction during the year	Balance as at 31 March 2024 Receivables/(Payables)	Amount of transaction during the year	Balance as at 31 March 2023 Receivables/(Payables)	Amount of transaction during the year	Balance as at 31 March 2022 Receivables/(Payables)
Unisynth Overseas Limited	Entity controlled or jointly controlled by Director/Directors	Purchase	0.22		-		-	
Krishnkumar Sharma	Relative of Director	Salary	21.12	-	21.12	-	21.12	1.20
		Advance Given	-	-	-	-	1.20	
		Dividend	0.04	-	0.03	-	0.03	
Manjula Sharma	Relative of Director	Salary	11.22	-	11.22	-	11.22	-
		Dividend	0.04	-	0.03	-	0.03	-
Purushottam Brijlal Sharma	Director	Salary	18.48	-	18.48	-	18.48	-
		Dividend	11.44	-	8.58	-	8.58	-
Radhey Shyam Sharma	Relative of Director	Salary	29.70	-	29.70	-	29.70	-
		Dividend	0.04	-	0.03	-	0.03	-
Shyam Sunder Sharma	Relative of Director	Salary	18.48	-	18.48	-	18.48	-
		Dividend	0.04	-	0.03	-	0.03	-
Manojkumar Shyamsunder Sharma	Director	Dividend	30.00	-	22.50	-	22.50	-
Narendra Parmeswarappa Kotehall	Director	Dividend	1.92	-	1.44	-	1.44	-
Aditya Sharma	Director	Dividend	30.04	-	22.53	-	22.53	-
Kabir Radheyshyam Sharma	Director	Salary	11.22	-	11.22	-	11.22	-
		Dividend	30.00	-	22.50	-	22.50	-
Rohit Krishnakumar Sharma	Director	Salary	7.26	-	7.26	-	7.26	-
		Dividend	30.00	-	22.50	-	22.50	-
Namrata Sharma	Relative of Director	Salary	6.10	-	6.25	-	5.54	-
Ritu Sharma	Relative of Director	Salary	11.09	(0.71)	0.82	(0.82)	-	-
Tanya Sharma	Relative of Director	Salary	9.47	-	9.00	0.15	5.81	-
		Advance Given	-	-	0.15			
Shankar Lal Agarwal	CFO	Salary	1.97	-	-	-	-	-
Gourav Mundra	Company Secretary	Salary	0.34	(0.34)	-	-	-	-

For detailed information on the related party transactions executed by our Company, please refer “Annexure - XXXI” appearing under Chapter titled “Restated Financial Information” beginning on page no 161 of this Draft Red Herring Prospectus.

#### M. FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the Directors of the issuer and their relatives have not financed the purchase by any other person of securities of the Company 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.

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

Weighted average price at which the Equity Shares were acquired by our Promoter in Last one year:

Sr. No.	Name of the Promoters	No. of Shares acquired	Average cost of Acquisition (in ₹)
1.	Aditya Sharma	15,02,000	Nil
2.	Manojkumar Shyamsunder Sharma	15,00,000	Nil
3.	Rohit Krishnakumar Sharma	15,00,000	Nil



Sr. No.	Name of the Promoters	No. of Shares acquired	Average cost of Acquisition (in ₹)
4.	Kabir Radheyshyam Sharma	15,00,000	Nil
5.	Purushottam Brijlal Sharma	5,72,000	Nil
6.	Narendra Parameswarappa Kotehall	96,000	Nil

\* Pursuant to Bonus Issue in the ratio of 2:1 vide Board Resolution dated March 18, 2024.

**O. AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTER**

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Aditya Sharma	22,53,000	3.11
2.	Manojkumar Shyamsunder Sharma	22,50,000	3.11
3.	Rohit Krishnakumar Sharma	22,50,000	3.11
4.	Kabir Radheyshyam Sharma	22,50,000	3.11
5.	Purushottam Brijlal Sharma	8,58,000	33.64
6.	Narendra Parameswarappa Kotehall	1,44,000	0

**P. DETAILS OF PRE-ISSUE PLACEMENT**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

**Q. ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Except for the details mentioned below, we have not issued Equity Shares for consideration other than cash in the preceding one year.

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
March 18, 2024	66,78,000	10.00	Nil	Bonus Issue in the ratio of 2:1	Capitalization of Reserves & Surplus	Aditya Sharma	15,02,000
						Manojkumar Shyamsunder Sharma	15,00,000
						Rohit Krishnakumar Sharma	15,00,000
						Kabir Radheyshyam Sharma	15,00,000
						Purushottam Brijlal Sharma	5,72,000
						Narendra Parameswarappa Kotehall	96,000
						Manjula Sharma	2,000
						Krishnakumar Madanmohan Sharma	2,000
						Radheyshyam Brajlal Sharma	2,000
						Shyamsunder Brijlal Sharma	2,000
<b>TOTAL</b>						<b>66,78,000</b>	

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

Our Company has not taken any exemption from complying with any provisions of the Securities Law from SEBI as on the date of this Draft Red Herring Prospectus.

**S. SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Red Herring Prospectus.

### **SECTION III- RISK FACTORS**

An investment in Equity Shares involves a high degree of risk. prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, 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**” beginning on pages 137, 91 and 171 respectively 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 Draft 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 Draft 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.

#### **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 Draft 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**” beginning on page 23 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 171 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Audited Financial Statements, as restated**” prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).

### **INTERNAL RISK FACTORS**

1. **A significant portion of our revenue is generated from sales of our top five products. The loss of customers who purchase these products, or a significant reduction in the production and sales of, or demand for said products may adversely affect our business, financial condition, results of operations and prospects.**

The revenue contribution from our top five product categories has been substantial, accounting for 65.15% in fiscal year 2024, 75.31% in 2023, and 79.94% in 2022 of our total revenue from the sale of goods. However, the composition of these top products is subject to change due to evolving market dynamics, consumer preferences, and our ongoing product innovation efforts. Potential factors such as increased competition, pricing pressures, fluctuating demand, or supply chain disruptions pose risks that could impact future revenue from these key categories. Any adverse developments in the sales performance of our top five products could significantly affect our overall revenue and, consequently, have adverse implications for our business operations, financial performance, and overall market position. To mitigate these risks, we remain committed to diversifying our product portfolio, investing in innovation, closely monitoring market trends, and implementing robust risk management strategies.

Below is the summary of revenue from our top-five products over last three years:

(₹ in lakhs)

Particulars	FY 2023-24	% to Total Sales	FY 2022-23	% to Total Sales	FY 2021-22	% to Total Sales
Pigment Blue 15:3	3,717.83	25.85%	4,378.93	31.41%	5,704.47	39.27%
Pigment Green 7	2,735.43	19.02%	3,063.31	21.98%	3,158.00	21.74%
Pigment Blue 15:4	1,790.12	12.44%	1,892.14	13.57%	1,175.55	8.09%
Pigment Blue 15:0	590.98	4.11%	573.73	4.12%	979.37	6.74%
Pigment Blue 15:1	536.37	3.73%	589.70	4.23%	595.18	4.10%
<b>TOTAL</b>	<b>9,370.73</b>	<b>65.15%</b>	<b>10,497.81</b>	<b>75.31%</b>	<b>11,612.57</b>	<b>79.94%</b>

2. *We are dependent upon third parties for trading and supply of the products we sell, with whom we may not had long term contracts or exclusive supply arrangements. Any delay or failure on the part of such vendors to deliver products, may adversely affect our business, profitability and reputation.*

We obtain some of our products from third parties, with whom we generally do not have long-term contracts or agreements. The orders for the products are placed on requirement basis. In such event, our Company may face challenges in securing a stable and predictable supply of products and our ability of delivering the products may be affected. Any of our supplier's failure to adhere to agreed timelines, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our sales, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on our results of operations.

Therefore, we are subject to risks of shortages or discontinuation in supply, long lead times, cost increases and quality control issues with our suppliers. In the event of any such interruption in supply, we would need to identify and obtain acceptable replacement sources on a timely basis. There is no guarantee that we would be able to obtain such alternative sources of supply on a timely basis, if at all, and an extended interruption in supply, particularly of a high-sales volume product, could result in a significant disruption in our sales and operations, as well as damage to our relationships with customers and our reputation. We believe we have maintained stable relationships with these vendors in the past, we cannot assure you that, we will be able to source adequate quantities of products in a timely manner from our existing vendors in the future or we will be able to find alternative vendors at acceptable prices and quality levels or at all.

3. *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 Palghar 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, or, 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 Draft Red Herring Prospectus, our employees are not members of any organized 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.

The concentration of all of our manufacturing operations in Palghar 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.

**4. 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. Our top 10 customers contributed approximately 34.08%, 31.59% and 36.66% of our revenue from operations for year ended on 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022 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.

**5. We are heavily reliant on a limited number of suppliers for raw materials, coupled with the absence of long-term agreements, exposes us to significant risks of supply disruptions, price fluctuations, and quality issues, which could adversely affect our business operations, financial condition, and results of operations.**

During the Fiscal 2024, Fiscal 2023, and Fiscal 2022, our cost of goods sold (cost of materials consumed, purchase of stock in trade, and changes in inventories of finished goods) was ₹12,718.32 lakhs, ₹12,459.25 lakhs, and ₹13,343.77 lakhs respectively, which represented 88.41%, 89.38%, and 91.85% of our revenue from operations. The raw materials we use in our manufacturing process are primarily sourced from local suppliers in India. 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 an adequate supply of such raw materials at all times.

Further, our Company has outstanding dues of trade payables during the Fiscals 2024, 2023, and 2022 of ₹2,796.06 lakhs, ₹2,458.40 lakhs, and ₹3,390.66 lakhs respectively. Any delay in payment to our creditors may impact our long-standing relations with our suppliers and may result in the stoppage of timely or at all delivery of raw material. Any such disruption would impact the production and overall financial position of our Company. Our top ten suppliers for raw materials and pigments we sell contributed approximately 70.53%, 58.57%, and 62.47% of our total purchases for the periods ending March 31, 2024, March 31, 2023, and March 31, 2022. Our top suppliers may vary from period to period depending on the demand-supply in the market, and thus the supply process from these suppliers might change as we continue to seek more cost-effective suppliers in the normal course of business.

Since at present our business is concentrated among relatively few significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited to on account of any dispute or disqualification. There may be an adverse effect on our purchases and business operations. We strive to maintain good and long-term relationships with our suppliers, but there can be no assurance that we will continue to have such long-term relationships with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these suppliers, and the loss of business with one or more of them may adversely affect our purchases and business operations. Our suppliers are associated with us through purchase orders, and we do not enter into definite-term agreements with them. Accordingly, our suppliers may not perform their obligations in a timely manner or at all, resulting in possible delays to our production schedule and adversely affecting our output, and may require us to transition our work to other companies. Further, there can be no assurance that increased demand, capacity limitations, or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials and components. Additionally, there can be no assurance that the material supplied by our suppliers shall always conform to our quality system requirements, including meeting the desired specifications and/or test requirements. Furthermore, as

we typically do not have exclusive arrangements with our suppliers, our suppliers could engage with our competitors and prioritize supplies to their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials and components at competitive rates.

**6. 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 blue pigment and the trading of chemicals and food colours finding its application in plastic, rubber, textiles, paper, printing inks, paints and coating 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 Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(₹ in lakhs)						
Industry Segment	Fiscal 2024	%	Fiscal 2023	%	Fiscal 2022	%
Paints & Coating	3,696.58	25.70%	2,198.36	15.77%	2,794.28	19.23%
Plastic	1,596.84	11.10%	1,715.48	12.31%	2,664.88	18.34%
Printing Inks	6,092.55	42.35%	6,224.02	44.65%	5,835.53	40.17%
Textiles	1,065.55	7.41%	1,293.83	9.28%	1,340.31	9.23%
Others	1,933.50	13.44%	2,507.33	17.99%	1,892.46	13.03%
<b>Total</b>	<b>14,385.01</b>	<b>100%</b>	<b>13,939.03</b>	<b>100%</b>	<b>14,527.46</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.

**7. 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 revenue from operations from export to countries like: Vietnam, Brazil, Mexico, Nigeria, Russia, Turkey, Netherlands, Poland, China, Spain, Malaysia, Thailand, United Arab Emirates and Uzbekistan. During the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our revenues from our exports amounted to ₹ 11,427.37 lakhs, ₹ 12,320.16 lakhs and ₹ 12,841.25 respectively, which constituted 79.44%, 88.39% and 88.39% respectively, of our total revenues from operations. Therefore, any adverse developments in the global economy or the industries in which our customers operate could have an impact on our sales from exports. 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. 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.

**8. We are exposed to foreign currency fluctuations risks, particularly in relation to export of products, which may adversely affect our results of operations, financial condition and cash flows.**

We export our products to different countries such as Vietnam, Brazil, Mexico, Nigeria, Russia, Turkey, Netherlands, Poland, China, Spain, Malaysia, Thailand, United Arab Emirates and Uzbekistan and payment for these sales is received in foreign currency. Any appreciation in Rupee against these foreign currencies would adversely affect the export value of the products. During the FY 2023-24, 2022-23 and 2021-22 the exports accounted for approximately Rs.11,427.37 lakhs, Rs. 12,320.16 lakhs and Rs. 12,841.25 lakhs respectively. The exchange rate between Rupee and these foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. The foreign exchange gain/(loss) during the FY 2023-24, 2022-23 and 2021-22 accounted for Rs. 279.92 lakhs, Rs. 229.22 lakhs and Rs. 255.46 lakhs respectively. We bear the complete risk of currency exchange rate fluctuations.

For Fiscal 2024, our revenue from operations were ₹ 14,385.01 lakh of which approximately 79.44% of the revenue were from international markets and remaining 20.56% were from India. Change in the value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The Exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our company's results of operations. We are not involved in the hedging of foreign currency which would result in losses and gains resulting from translation of foreign currency denomination on our financials. We are subject to the risks associated with carrying out business operations on an international scale, including the following, the occurrence of any of which may adversely affect our business, results of operations, financial condition, cash flows and future prospects:

- Import and export regulations that could among others erode profit margins or restrict imports or exports, changes in foreign exchange controls and tax rates, foreign currency exchange rate fluctuations, including devaluations.
- Changes in regional and local economic conditions, including local inflationary pressures, economic cycle and demand for products in the international markets;
- Changes in laws and regulations, unsettled political conditions and possible terrorist attacks against countries where we sell our products or have other interests;

In the event that we are unable to anticipate and effectively manage these and other risks, it could have a material and adverse effect on our business, results of operations, financial condition, cash flows and future prospects.

**9. Our Company has had a negative operating cashflow in two fiscal years. Sustained negative cash flow could adversely impact our business, financial condition and results of operations**

The detailed break up of operating cash flows is summarized in below mentioned table and our Company had reported negative operating cash flow for the two fiscal years, 2021-22 & 2023-24. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

(₹ in lakhs)			
Particulars	F.Y. 2023-24	F.Y. 2022-23	F.Y. 2021-22
Net Cash flow from Operating activities	(407.70)	233.64	(553.38)

For further details, see “Financial Statements” and “Managements Discussion and Analysis of Financial Condition and Results of Operations” on page 137 and 171, respectively. We cannot assure you that our net cash flows will be positive in the future.

**10. 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 certification. Furthermore, we have been recognized as a Three Star Export House by the Ministry of Commerce, Government of India. To ensure global product compliance (Europe) AB Sweden, we have received a Certificate of REACH Registration, issued under the REACH Regulation (Registration, Evaluation, Authorisation, and Restriction of Chemicals), a regulation of the European Union (EU). Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product, 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.

***11. The Registered office from where we carry out our business activities are owned by our Promoter Group Entity, Chemi Udyog, and has been obtained by us on lease /rental basis. In case of non-renewal of lease/rent agreements or dispute in relation to use of the said premise, our business and results of operations can be adversely affected.***

Our Registered office is situated at No. 106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai, Maharashtra, India-400064, from where we carry out our business activities. This office space has been leased from our Promoter Group entity, Chemi Udyog vide a rent agreement for 106, Advent Atria, dated June 01, 2024 for a period of 11 months effective from June 01, 2024 at a monthly rent of ₹5,000/- and leave and license agreement for 107, Advent Atria, dated May 15, 2024, for a period of 5 years, effective from April 01, 2024, at a monthly rent of ₹ 50,000/-

In the event of termination/non-renewal of said agreements, we may be required to vacate the said premises which may cause disruption in our inventory management, corporate affairs and business and impede our effective operations which could lead temporarily impact our business operations until we get suitable alternative premises. For details on the duration of existing rent/lease agreements for our premises, please refer to the section titled “***Our Business-Properties***” beginning on page 91 of this Draft Red Herring Prospectus. There can be no assurance that we will, in the future, be able to renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the offices on similar terms favourable to us, or at all. We may also fail to negotiate the renewal of our rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, affecting our financial condition and operations. In the event that the lease/rent agreement is terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our manufacturing operations which could materially and adversely affect our business, financial condition and results of operations.

***12. 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 FY 2023-24, 2022-23 and 2021-22 our inventories were ₹ 1,758.69 lakhs, ₹ 1,453.02 lakhs and ₹ 1,955.53 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 FY 2023-24, 2022-23 and FY 2021-22 our trade receivables were ₹ 4,442.17 lakhs, ₹ 3,387.77 lakhs and ₹ 3,323.64 lakhs respectively. As on March 31, 2024 our outstanding due from the top debtor amounted to ₹ 373.55 lakhs representing 8.41% 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.

***13. 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.

***14. 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.***

There are a few discrepancies in our corporate records related to e-forms filed with the Registrar of Companies. These discrepancies include clerical errors in the annual returns filed by our Company with the ROC in past years. For instance, the attached list of transfers shows incorrect details in the Annual Return filed with the ROC for FY 2008-09, and the transfer list was not attached in the Annual Return filed for FY 2009-10. However, these errors were rectified in the Annual Returns filed for FY 2010-11.

Further certain of our corporate records in relation to increase in authorized share capital, namely the Form-5 filed with the Registrar of Companies in relation to the increase in authorized share capital from ₹ 1.00 Cr to ₹ 2.50 Cr approved in General Meeting dated February 22, 2006 and Form-32 for change in designation of Aditya Sharma, Narendra Parameswarappa Kotehall, and Purushottam Brijlal Sharma from Director to Whole-time Director are not traceable in the historical records maintained by our Company, or at the MCA Portal maintained by the Ministry of Corporate Affairs. Further the share transfer deed in respect to transfer of shares of our Company in financial year 2009-10 are not traceable. Accordingly, we have relied on the other corporate records maintained by the Company such as minutes and 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, our Company has not filed Form CHG-1 for creation of charge on certain vehicle loan taken in the past, which is non-compliance of section 77 of the Companies Act, 2013 read with rules made thereunder and is subject to penalty under section 86 which states that the company shall be liable to a penalty of five lakh rupees and every officer of the company who is in default shall be liable to a penalty of fifty thousand rupees. However, no such loans are outstanding as on date of this Draft Red Herring Prospectus.

Our Company has failed to comply with the provisions of section 135 of the Companies Act, 2013 to spend on CSR expenses for the FY 2020-21, which is in non-compliance of section 135 of the Companies Act, 2013 read with rules made thereunder which is subject to the penalty under section 135(7) of the Companies Act, 2013 which states that the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.

Further, the board structure of the company was not duly constituted from FY 2022-23 till March 2024 as per the provisions of section 152 of the Companies Act, 2013. Consequently, the company did not constitute the Audit Committee and the Nomination & Remuneration Committee, resulting in non-compliance with Sections 152, 177, 178 of the Companies Act, 2013 read with rules made thereunder and is subject to penalty under section 159 which states that the such individual or director of the company shall be liable to a penalty which may extend to fifty thousand rupees and where the default is a continuing one, to a further penalty which may extend to five hundred rupees for each day after the first during which such default continues.

Further, our company had not complied with Accounting Standards AS-15 in the past, however the same have been duly complied by the company in the restated financial statements. 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.



**15. 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.

**16. 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 Promoters include Purushottam Brijlal Sharma, Chairman & Whole-time Director; Aditya Sharma, Managing Director; Narendra Parameswarappa Kotehall, Whole-time Director; and Manojkumar Shyamsunder Sharma, Executive Director, all of whom have more than 30 years of experience in the Pigment and Dyes industry. Kabir Radheyshyam Sharma and Rohit Krishnakumar Sharma, both Executive Directors, have 9 years of experience each. They have gained significant experience in this line of business and have built strong relationships with suppliers, customers, regulators over the years. They have been actively involved in the day-to-day operations and management of our Company. We believe that the inputs and experience of our senior management, particularly those mentioned, are valuable for the procurement of raw materials, pigments and successful delivery of products, and overall business operations. For more details regarding the experience of our key management personnel, see **“Our Management”** on page 116 of this Draft Red Herring Prospectus.

However, we cannot assure you that these individuals or any other member of our senior management team will not leave us, join a competitor, or that we will be able to retain such personnel or find adequate replacements in a timely manner, if at all. Hiring and training replacement personnel may require a long period of time when qualified personnel terminate their employment with our Company. We may also need to increase employee compensation more rapidly than in the past to remain competitive in attracting the necessary employees for our business. The loss of these individuals may adversely affect our business, results of operations, financial condition, and cash flows.

**17. There are outstanding legal tax proceedings involving in our Company. Any adverse decisions could impact our cashflows and profit or loss to the extent of demand amount, interest and penalty, divert management time and attention and have an adverse effect on our business, prospects, results of operations and financial condition.**

There are outstanding legal proceedings involving our Company. For details, see **“Outstanding Litigation and Material developments”** beginning on page 179 of this Draft Red Herring Prospectus

**Litigations/Matters involving our Company:**

(₹ in lakhs)

Nature of Cases	No. of Outstanding Cases	Amount Involved (in ₹ Lakhs)
<b>Tax proceedings:</b>		
Direct Tax	2	1.94
Indirect Tax	8	51.97
<b>Total</b>	<b>10</b>	<b>53.91</b>

For further details, please refer to the chapter titled **“Outstanding Litigations and Material Developments”** on page 179 of this Draft Red Herring Prospectus.

**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.

Our Company has presently obtained the requisite registrations, except that our company is yet to apply for the registration under the Contract Labour (Regulation and Abolition) Act, 1970. 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 183 of this Draft 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 March 31, 2024 were ₹53.91 lakhs. If these contingent liabilities materialize, fully or partly, the financial condition of our Company could be affected.

(₹ In lakhs)

Particulars	As at March 31,		
	2024	2023	2022
In respect of GST	51.97	28.98	-
In respect of Income Tax & TDS	1.94	1.88	1.88
<b>TOTAL</b>	<b>53.91</b>	<b>30.86</b>	<b>1.88</b>

For more information, regarding our **Contingent Liabilities**, please refer “**Annexure XXIX**” in chapter titled “**Financial Information of the Company**” beginning on page 160 of this Draft Red Herring Prospectus.

**21. We have not received NOC from our lender for undertaking the initial public offer of equity shares.**

As on the date of this Draft Red Herring Prospectus, we have not received the NOC for the proposed issue from our lender, namely, Kotak Mahindra Bank. However, our Company intends to obtain the necessary NOC in relation to the proposed issue from such lender prior to the filing of the Red Herring Prospectus with the RoC, undertaking the proposed issue without obtaining such lender NOC may constitute a default under such loan agreement, which could impact our loan facilities and may have an effect on our financial condition and results of operations.

**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 certain operating hazards and this may have a material adverse effect on our business***

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policies consist of, among others, industry care package policy for our factory premises in respect of building, stock & plant & machinery, keyman insurance and vehicle insurance. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks such as machinery breakdown, goods in transit, product liability insurance and insurance in respect of assets situated at Administration office. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policies will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

***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 do not maintain an in-house transportation facility and depend on third-party transportation and logistics services at every stage of our business activities, including procurement from suppliers and delivering finished products to customers. While we engage transportation companies as needed, we have not established definitive agreements with any third-party transport service providers. The transportation solutions available in the markets where we operate are typically fragmented, and the cost incurred for goods transported by third-party carriers often exceeds the contracted transportation fees. Consequently, recovering compensation for damaged, delayed, or lost goods can be challenging. Recent instances, such as transportation vehicles being on strike due to fuel price increases, resulted in delays and potential disruptions in handling and procurement processes, which could have led to possible damage to products in transit. Although no such instances have been noticed as on date but such instances if occur may affect our business 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. 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 pigments and trading of chemicals and food colours 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.

**28. 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 and group entities. 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 161 and 54 respectively of this Draft 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.

**29. Our Group company is engaged in similar line of business as of ours. There is no non-compete agreements between our company and such other entity. We cannot assure that our Promoters will not be favor the interests of such Companies over our interest or that the said entities will not expand which may increase our competition, which may adversely affect business operations and financial condition of our company.**

Our Group Company, Vardhaman Dyestuff Private limited is engaged in the business of manufacturing of pigment Green 7 which is similar line of business segment as ours. We have not entered into any non-compete agreement with such entity. We cannot assure that our Promoters who has common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Company in circumstances where our respective interests conflict. In cases of conflict, our individual Promoters may favour the other entity rather than our Company. There can be no assurance that our Promoters or our Group Companies will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

**30. 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 Draft 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 levels are dependent on our ability to carry out uninterrupted operations at manufacturing facilities as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. During the Fiscals 2024, 2023 and 2022, our overall capacity utilization is detailed below: -

Particulars	2023-24 MTPA	2022-23 MTPA	2021-22 MTPA	Existing installed capacity (p.a)
Installed Capacity (Production Beta Blue)	1977.60	1977.60	1977.60	1977.60
Actual Production	1878.00	1680.00	1581.00	
Capacity Utilization (in %)	95%	85%	80%	

\*The information related to the installed capacity is based on the certificate received from A.D. Joshi, Chartered Engineers & Valuers LLP vide their certificate dated June 13,2024.

In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under-utilization of our manufacturing capabilities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

***31. 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 67 of this Draft 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.

***32. Any variation in the utilization of the Net Proceeds as disclosed in this Draft 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 Repayment of a portion of certain borrowing availed by our company, 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 67 of this Draft Red Herring Prospectus. 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 Draft 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.

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

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various governmental and organizational web site data that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “*Industry Overview*” beginning on page 81 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

***34. 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.

***35. 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 67 of this Draft Red Herring Prospectus.

***36. Our Promoter and Promoter Group members has provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations and cash flows may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter and Promoter Group members.***

Our Promoter and Promoter Group Members has provided personal guarantees to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Promoter Group Members may be invoked, which could negatively impact the reputation of our Company. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group Members may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page no. 168 of this Draft Red Herring Prospectus.

***37. 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.

***38. 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 136 of the Draft Red Herring Prospectus.

***39. 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.

***40. 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.

**41. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.**

Our Promoters average cost of acquisition of Equity Shares in our company may be lower than the Issue Price as may be decided by the company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter “*Capital Structure*” beginning on pages 54 of this Draft Red Herring Prospectus.

**42. 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 [●] % 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.

**43. 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.

**44. 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 74 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.

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

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

***46. 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**

***47. 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.

***48. 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. Unfavorable changes in the above factors or in other business and economic conditions affecting our customers could result in a corresponding decline in our business.

***49. 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.

***50. 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.

***51. 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.

***52. 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 183 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 179 of this Draft Red Herring Prospectus. 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.

***53. 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, NSE’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.

***54. 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, tsunamis, 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.

***55. 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.

***56. 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 DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue</b> <sup>(1)(2)</sup>	Upto 36,00,000 Equity Shares aggregating to ₹ [●] Lakhs
<b>Out of which:</b>	
<b>Market Maker Reservation Portion</b>	1,92,000 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Upto 34,08,000 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Out of which*</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than [●] 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)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
C. Retail Portion	Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	Upto 1,00,17,000 Equity Shares of face value of ₹10 each.
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of face value ₹10 each.
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 67 of this Draft Red Herring Prospectus.

\*Number of shares may need to be adjusted for lot size upon determination of Issue price.

**Notes:**

- 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.
- The Issue of upto 36,00,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 06, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members of the company held on March 12, 2024.
- 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.
- 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 211 of this Draft Red Herring Prospectus.

**SUMMARY OF RESTATED FINANCIAL STATEMENTS****STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**

(₹ in lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1,001.70	333.90	333.90
(b) Reserves and Surplus	2,684.30	2,868.99	2,472.08
<b>(2) Share Application Money Pending Allotment</b>	-	-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	15.10	17.44	-
(b) Deferred Tax Liability (Net)	15.15	15.23	23.53
(c) Long Term provision	23.53	20.93	17.57
(d) Other long-term Liabilities	-	-	-
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowing	2,146.29	1,149.39	1,135.09
(b) Trade Payables	2,796.06	2,458.40	3,390.66
(c) Other Current Liabilities	292.35	122.38	184.08
(d) Short-Term Provisions	93.85	85.66	112.92
<b>Total</b>	<b>9,068.35</b>	<b>7,072.31</b>	<b>7,669.84</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	1,127.84	1,132.55	1,126.34
(ii) Intangible Assets			
(iii) Capital Work-in-Progress			
(b) Non-Current Investment	-	-	-
(c) Deferred Tax Assets (net)	-	-	-
(d) Long-term loans and advances	-	-	-
(e) Other non-current assets	71.11	40.92	43.55
<b>(2) Current Assets</b>			
(a) Current investments	-	-	-
(b) Inventories	1,758.69	1,453.02	1,955.53
(c) Trade receivables	4,442.17	3,387.77	3,323.64
(d) Cash and Cash Equivalents	436.62	102.98	61.48
(e) Short-Term Loans And Advances	702.09	630.43	489.39
(f) Other Current Assets	529.83	324.64	669.90
<b>Total</b>	<b>9,068.35</b>	<b>7,072.31</b>	<b>7,669.84</b>

## STATEMENT OF PROFIT AND LOSS AS RESTATED

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31,		
		2024	2023	2022
<b>A</b>	<b>Revenue:</b>			
	Revenue From Operations (Net of Taxes)	14,385.01	13,939.03	14,527.46
	Other Income	547.87	502.81	629.26
	<b>Total Revenue</b>	<b>14,932.88</b>	<b>14,441.84</b>	<b>15,156.73</b>
	<b>Expenses:</b>			
<b>B</b>	Cost of Material Consumed	3,168.57	4,388.17	3,896.48
	Purchase Of Stock in Trade	9,774.02	7,813.30	9,948.76
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-224.27	257.79	-501.48
	Employee benefit expenses	456.04	469.55	418.72
	Financial Cost	100.84	79.99	67.79
	Depreciation and amortization expenses	60.21	56.98	52.92
	Others Expenses	769.12	718.12	638.61
	<b>Total Expenses</b>	<b>14,104.53</b>	<b>13,783.90</b>	<b>14,521.80</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>	<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
	Less: Exceptional Items	-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>	<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
	Extra ordinary items	-	-	-
<b>D</b>	<b>Profit before tax</b>	<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
	Tax expense:			
	Current tax	211.75	169.17	161.01
	Tax Related to Earlier year	-	-	-
	Deferred Tax	-0.07	-8.30	2.75
	<b>Profit/(Loss) for the period After Tax- PAT</b>	<b>616.67</b>	<b>497.07</b>	<b>471.17</b>
	No. of Shares	10,017,000	10,017,000	10,017,000
<b>E</b>	Earning per Equity Share: Basic/Diluted			
	(1) Basic	6.16	4.96	4.70
<b>F</b>	(2) Diluted	6.16	4.96	4.70

## STATEMENT OF CASH FLOW AS RESTATED

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
<b>Cash Flow from Operating Activities:</b>			
Net Profit before tax as per Profit and Loss A/c	828.35	657.94	634.93
<b>Adjustments for:</b>			-
Depreciation & Amortisation Expense	60.21	56.98	52.92
Interest Income	-25.69	-2.13	-1.53
Finance Cost	89.87	62.63	40.74
Difference in opening balance	-	-	17.80
<b>Operating Profit Before Working Capital Changes</b>	<b>952.75</b>	<b>775.43</b>	<b>744.85</b>
Adjusted for (Increase)/ Decrease in:			
Short term provision	8.19	-27.26	-57.08
Trade Receivables	-1,054.40	-64.13	-575.27
Inventories	-305.67	502.52	-707.59
Other current assets	-205.19	345.26	-669.90
Long Term Provisions	2.61	3.36	17.57
Other non-current assets	-30.19	2.64	-43.55
Trade Payables	337.66	-932.26	640.12
Short Term Advance	-71.67	-141.04	152.78
Other Current Liabilities	169.97	-61.71	129.39
<b>Cash Generated From Operations</b>	<b>-195.94</b>	<b>402.80</b>	<b>-368.69</b>
Appropriation of Profit	-	-	-
Net Income Tax paid/ refunded	-211.75	-169.17	-184.69
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>-407.70</b>	<b>233.64</b>	<b>-553.38</b>
<b>Cash Flow From Investing Activities:</b>			
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	-55.49	-63.19	-90.29
Interest Income	25.69	2.13	1.53
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>-29.80</b>	<b>-61.07</b>	<b>-88.76</b>
<b>Cash Flow from Financing Activities:</b>			
Net Increase/(Decrease) in Long Term Borrowings	-2.34	17.44	-17.69
Net Increase/(Decrease) in Short Term Borrowing	996.91	14.30	477.64
Dividend Paid	-133.56	-100.17	-100.17
Interest on borrowings	-89.87	-62.63	-40.74
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>771.14</b>	<b>-131.06</b>	<b>319.05</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	333.64	41.51	-323.10
Cash & Cash Equivalents As At Beginning of the Year	102.98	61.48	384.57
Cash & Cash Equivalents As At End of the Year	<b>436.62</b>	<b>102.98</b>	<b>61.48</b>

Notes:

**1. Components of Cash & Cash Equivalents**

	For the year ended March 31,		
	2024	2023	2022
Cash on Hand	1.59	1.23	1.79
Bank Balance	9.59	94.97	53.24
Fixed Deposits (Maturity Less than 3 Months)	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	425.44	6.78	6.44
<b>Total</b>	<b>436.62</b>	<b>102.98</b>	<b>61.48</b>

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating,

**GENERAL INFORMATION****Brief Summary:**

Our Company was originally incorporated as a Public Limited Company under the name of “Unilex Exports Limited” on March 23, 2001 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U24239MH2001PLC131352. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 26, 2012, the name of our Company was changed from “Unilex Exports Limited” to “Unilex Colours and Chemicals Limited” and a fresh certificate of incorporation consequent upon Change of Name was issued by the Registrar of Companies, Mumbai, Maharashtra vide certificate dated April 14, 2012 bearing CIN U74999MH2001PLC131352.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 112 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	<b>Unilex Colours and Chemicals Limited</b> 106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India. <b>Email:</b> <a href="mailto:accounts@unilexcolours.in">accounts@unilexcolours.in</a> <b>Website:</b> <a href="https://unilexcolours.in/">https://unilexcolours.in/</a> <b>CIN:</b> U74999MH2001PLC131352 <b>Registration Number:</b> 131352
<b>Address of the RoC</b>	<b>Registrar of Companies, Mumbai</b> 100, Everest, Marine Drive, Mumbai-400002, Maharashtra.

**Board of Directors:**

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

<b>Name of Directors</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Purushottam Brijlal Sharma	Chairman & Whole-time Director	Flat B-1103, Vini Tower, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India	01416956
Aditya Sharma	Managing Director	B-1103, Vini Tower, Off Link Road, Near Infent Jesus School, Malad (West), Mumbai-400064, Maharashtra, India	00583133
Narendra Parameswarappa Kotehall	Whole-time Director	A/202, Kalpataru Garden, Chakradhari Nagar, Nallasopara (West), Thane-401203, Maharashtra, India	00590501
Manojkumar Shyamsunder Sharma	Executive Director	105/106, Link Plaza Chs Ltd, Link Road, Malad West, Mumbai-400064, Maharashtra, India	01375905
Kabir Radheyshyam Sharma	Executive Director	602, Satyam Shivam CH.S. Ltd, Link Road, Near Movie Time Theatre, Evershine Nagar, Malad West, Mumbai-400064, Maharashtra, India	08377687
Rohit Krishnakumar Sharma	Executive Director	Flat No 502, Satyam Shivam CHS Ltd, Linking Road, Evershine Nagar, Near Movie Time Theatre, Malad West, Mumbai-400064, Maharashtra, India	07500109
Ketan Damji Saiya	Independent Director	A-203, Dheeraj Apartment, Natwar Nagar Road No 1 Near Western Express Highway, Jogeshwari East, Mumbai-400060, Maharashtra, India	00425872
Amit Kumar Mundra	Independent Director	A 403, Vasant Marvel Grace CHS, Near Magathane Telephone Exchange, Borivali East, Mumbai-400066, Maharashtra, India	01491934
Daya Amit Bansal	Independent Director	D 604 Janki Height, New Golden Nest, Bhayander East, Thane-401105, Maharashtra, India	10619274

For further details in relation to our directors, please refer to chapter titled “*Our Management*” on page 116 of this Draft Red Herring Prospectus.

<b>Chief Financial Officer</b>	<b>Company Secretary &amp; Compliance Officer</b>
<b>Shankarlal Kedarmal Agarwal</b> <b>Unilex Colours and Chemicals Limited</b> <b>Address:</b> 106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India <b>Tel. No.:</b> +91-22-28886235 <b>Email:</b> <a href="mailto:accounts@unilexcolours.in">accounts@unilexcolours.in</a> <b>Website:</b> <a href="https://unilexcolours.in/">https://unilexcolours.in/</a>	<b>Gourav Mundra</b> <b>Unilex Colours and Chemicals Limited</b> <b>Address:</b> 106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India <b>Tel. No.:</b> +91-22-28886235 <b>Email:</b> <a href="mailto:cs@unilexcolours.in">cs@unilexcolours.in</a> <b>Website:</b> <a href="https://unilexcolours.in/">https://unilexcolours.in/</a>



**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>Book Running Lead Manager to the Issue</b>	<b>Legal Advisor to the Issue</b>
<p><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>Email:</b> ib@hemsecurities.com  <b>Investor Grievance Email:</b> redressal@hemsecurities.com  <b>Website:</b> www.hemsecurities.com  <b>Contact Person:</b> Neelkanth Agarwal/ Deeksha Kaku  <b>SEBI Reg. No.:</b> INM000010981</p>	<p><b>J Mukherjee &amp; Associates</b>  <b>Address:</b> Room No. 6, 2nd Floor, Saraf House, 4/1 Red Cross Place, Kolkata-700001, West Bengal, India.  <b>Tel No.:</b> +91-98306-40366  <b>Email ID:</b> jmukherjeeandassociates@gmail.com  <b>Contact Person:</b> Jayabrata Mukherjee  <b>Designation:</b> Authorised Signatory</p>
<b>Registrar to the Issue</b>	<b>Statutory Auditor</b>
<p><b>Link Intime India Private Limited</b>  <b>Address:</b> C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083 Maharashtra, India  <b>Tel. No.:</b> +91-8108114949  <b>Email:</b> unilex.smeipo@linkintime.co.in  <b>Website:</b> www.linkintime.co.in  <b>Investor Grievance Email:</b> unilex.smeipo@linkintime.co.in  <b>Contact Person:</b> Shanti Gopalkrishnan  <b>SEBI Registration No.:</b> INR000004058</p>	<p><b>M/s. Mittal &amp; Associates</b>  Chartered Accountants,  <b>Address:</b> B-603, Raylon Arcade, RK Mandir Road, Kondivita, JB Nagar, Andheri (East), Mumbai-400059, Maharashtra India  <b>Tel No.:</b> +91-8689958800  <b>Email:</b> audit@mittal-associates.com  <b>Firm Registration No.:</b> 106456W  <b>Membership No:</b> 165667  <b>Peer Review Certificate Number:</b> 016850  <b>Contact Person:</b> Hemant Bohra</p>
<b>Bankers to our Company</b>	<b>Bankers to the Issue/ Refund Banker/Sponsor Bank*</b>
<p><b>ICICI Bank Limited</b>  <b>Address:</b> C-Wing, Rock Avenue, Opp. Joy Ice Cream Parlor Factory, Hindustan Naka, Chakop Kandivali (West) Mumbai-400067, Maharashtra  <b>Tel No.:</b> +91-9930341314  <b>Email:</b> ritu.chadha@icicibank.com  <b>Contact Person:</b> Ritu Chaddha  <b>Designation:</b> CM1</p>	[●]
<b>Syndicate Member*</b>	
[●]	

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

## **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) 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 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.

### **Experts Opinion**

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

- i) Our Company has received consent from the Mittal & Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (a) Auditors' reports on the restated financial statements; and (b) Statement of Special Tax Benefits (c) Statement of Financial Indebtedness. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus, and;
- ii) Our Company has received consent from the A. D. Joshi Chartered Engineers & Valuers LLP , Chartered Engineer to include their name as required under Section 26 of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert", as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an independent chartered engineer, in relation to the certificate, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term “**expert**” shall not be construed to mean an “**expert**” as defined under the U.S. Securities Act, 1933.

### **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.

### **Monitoring Agency**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakhs. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency.

### **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.

### **Trustees**

As the Issue is of Equity Shares, the appointment of trustees is not required.

### **Debenture Trustees**

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

### **Filing of Offer Document with the Designated Stock Exchange/SEBI/ROC**

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Draft Red Herring Prospectus 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 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 in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] 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 National Stock Exchange of India Limited 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, 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 Offer 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 211 of the Draft 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 211 of this Draft 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 183 of this Draft Red Herring Prospectus.

**Bid/ Issue Program:**

Event	Indicative Dates
Bid/ Issue Opening Date	[●] <sup>(1)</sup>
Bid/ Issue Closing Date	[●] <sup>(2)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about [●]

Event	Indicative Dates
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about [●]

<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, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing 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 Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge 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 Draft 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 Offer, 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 Offer. 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/Offer Closing Date. Allocation to Retail Individual Bidders, in this Offer 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.

### 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 in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated June 24, 2024 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> +91-22-49060000 <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	36,00,000	[●]	100%

\*Includes 1,92,000 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 Auditors during the last three (3) years**

Except as mentioned below, there have been no changes in our Company's auditors in the last three (3) years:

Details of Auditor	Date of Change	Reason
<b>D.K. Roongta &amp; Company</b> Chartered Accountants, <b>Address:</b> 286, Princess Street, Bhatia Bhawan, 2 <sup>nd</sup> Floor, Mumbai-400002 Maharashtra, India. <b>Tel No.:</b> +91-9820189870 <b>Email:</b> roongtadinesh@yahoo.co.in <b>Firm Registration No.:</b> 108871W <b>Membership No:</b> 017679 <b>Contact Person:</b> Dinesh Kumar Roongta	January 15, 2024	Resignation due to pre-occupation in other assignments
<b>M/s. Mittal &amp; Associates</b> Chartered Accountants, <b>Address:</b> B-603, Raylon Arcade, RK Mandir Road, Kondivita, JB Nagar, Andheri (East), Mumbai-400059, Maharashtra India <b>Tel No.:</b> +91-9829076888 <b>Email:</b> mm@mittal-associates.com <b>Firm Registration No.:</b> 106456W <b>Membership No:</b> 042990 <b>Contact Person:</b> Mahendra Mehta	September 30, 2023	Appointment of Statutory Auditors in casual vacancy

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

Our Company has entered into a Market Making Agreement dated June 24, 2024 with the following Market Maker for fulfilling the Market Making obligations under 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>	+91-141-4051000
<b>E-mail</b>	<a href="mailto:ashoks@hemsecurities.com">ashoks@hemsecurities.com</a>
<b>Website</b>	www.hemsecurities.com
<b>Contact Person</b>	Ashok Soni
<b>SEBI Registration No.</b>	INZ000167734
<b>Market Maker Registration No.</b>	SMEMM0674109092020

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfill the obligations of Market Making) dated June 24, 2024 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Hem Finlease Private Limited, registered with Emerge Platform of NSE will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

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

- The Market Maker(s) 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, NSE 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 six 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 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:** Stock Exchange will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** Emerge Platform of NSE 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 Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and/or norms issued by SEBI/ NSE from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

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.

- ii. 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.

#### **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 Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the 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 Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh offer document 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 Prospectus, which our Company will apply for only after Allotment; and (ii) the final Registrar of Companies approval of the Prospectus.



**CAPITAL STRUCTURE**

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft 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> 1,50,00,000 Equity Shares having Face Value of ₹ 10/- each	1,500.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,00,17,000 Equity Shares having Face Value of ₹10/- each	1,001.70	-
C	<b>Present Issue in terms of this Draft Red Herring Prospectus*</b> Upto 36,00,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share	[●]	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> 1,92,000 Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of 34,08,000 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
	<i>Of which:</i>		
	i. At least [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	ii. At least [●] Equity Shares of ₹10/- each aggregating up to ₹ [●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	iii. Not more than [●] Equity Shares of ₹10/- each aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds.	[●]	[●]
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue</b> Upto [●] Equity Shares of face value of ₹10/- each		[●]
G	<b>Securities Premium Account</b> Before the Issue (as on date of this Draft Red Herring Prospectus)		Nil
	After the Issue		[●]

\*The Issue of upto 36,00,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated March 06, 2024 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members of the company held on March 12, 2024.

**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 Draft 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	50,000	10/-	5.00	-	N.A.
2.	Increase in Authorized Share Capital from ₹ 5.00 Lakhs to ₹ 100.00 Lakhs	10,00,000	10/-	100.00	February 03, 2003	EGM
3.	Increase in Authorized Share Capital from ₹ 100.00 Lakhs to ₹ 250.00 Lakhs	25,00,000	10/-	250.00	February 02, 2006*	EGM
4.	Increase in Authorized Share Capital from ₹ 250.00 Lakhs to ₹ 300.00 Lakhs	30,00,000	10/-	300.00	March 29, 2007	EGM
5.	Increase in Authorized Share Capital from ₹ 300.00 Lakhs to ₹ 350.00 Lakhs	35,00,000	10/-	350.00	March 02, 2009	EGM

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
6.	Increase in Authorized Share Capital from ₹ 350.00 Lakhs to ₹ 500.00 Lakhs	50,00,000	10/-	500.00	February 02, 2010	EGM
7.	Increase in Authorized Share Capital from ₹ 500.00 Lakhs to ₹ 1,500.00 Lakhs	1,50,00,000	10/-	1,500.00	February 06, 2024	EGM

\* The form filed with the RoC for the said increase in authorized share capital is not available with Company. Accordingly, we have relied on the other corporate records maintained by the Company such as statutory registers to ascertain the information for the missing date. These details have been inserted here based on the information received from the company. Please refer to **Risk Factor** "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." on page 23 of this Draft Red Herring Prospectus.

## 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) (₹)	Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid-Up Capital (₹)
Upon Incorporation	50,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	50,000	Nil	5,00,000
February 11, 2003	6,50,000	10	10	Cash	Right Issue <sup>(ii)</sup>	7,00,000	Nil	70,00,000
September 29, 2004	2,59,000	10	10	Cash	Right Issue <sup>(iii)</sup>	9,59,000	Nil	95,90,000
March 31, 2006	6,50,000	10	10	Cash	Right Issue <sup>(iv)</sup>	16,09,000	Nil	1,60,90,000
September 30, 2006	7,90,000	10	10	Cash	Preferential Allotment <sup>(v)</sup>	23,99,000	Nil	2,39,90,000
March 31, 2007	1,75,000	10	20	Cash	Preferential Allotment <sup>(vi)</sup>	25,74,000	17,50,000	2,57,40,000
August 14, 2007	15,000	10	20	Cash	Preferential Allotment <sup>(vii)</sup>	25,89,000	1,50,000	2,58,90,000
March 31, 2008	4,00,000	10	10	Cash	Preferential Allotment <sup>(viii)</sup>	29,89,000	Nil	2,98,90,000
March 30, 2009	3,50,000	10	10	Cash	Right Issue <sup>(ix)</sup>	33,39,000	Nil	3,33,90,000
March 18, 2024	66,78,000	10	-	Other than Cash	Bonus Issue in the ratio of 2:1 <sup>(x)</sup>	1,00,17,000	Nil	10,01,70,000

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

(i) Initial Subscribers to the Memorandum of Association subscribed 50,000 Equity Shares of Face Value of ₹10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Purushottam Brijlal Sharma	41,000
2.	Narendra Parameswarappa Kotehall	4,000
3.	Radheyshyam Brajlal Sharma	1,000
4.	Shyamsunder Brijlal Sharma	1,000
5.	Krishnakumar Madanmohan Sharma	1,000
6.	Aditya Sharma	1,000
7.	Manjula Sharma	1,000
	<b>Total</b>	<b>50,000</b>

(ii) Details of the Right Issue of 6,50,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Purushottam Brijlal Sharma	4,65,000
2.	Narendra Parameswarappa Kotehall	1,85,000
	<b>Total</b>	<b>6,50,000</b>

(iii) Details of the Right Issue of 2,59,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Purushottam Brijlal Sharma	2,50,000
2.	Narendra Parameswarappa Kotehall	9,000
	<b>Total</b>	<b>2,59,000</b>

(iv) Details of the Right Issue of 6,50,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Purushottam Brijlal Sharma	6,50,000
	<b>Total</b>	<b>6,50,000</b>

(v) Details of the Preferential allotment of 7,90,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Purushottam Brijlal Sharma	7,90,000
	<b>Total</b>	<b>7,90,000</b>

(vi) Details of the Preferential allotment of 1,75,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Indo-City Infotech Limited	50,000
2.	Prarambh Multitrade Private Limited	20,000
3.	Hakmans Financials Services & Securities Private Limited	20,000
4.	Santoshima Lease Finance & Investments (I) Limited	20,000
5.	Creative World Telefilms Limited	20,000
6.	Shyam Alcohol & Chemicals Limited	15,000
7.	Lunkad Textiles Private Limited	15,000
8.	Javda India Impex Limited	15,000
	<b>Total</b>	<b>1,75,000</b>

(vii) Details of the Preferential allotment of 15,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Jagmandri Finvest Private Limited	15,000
	<b>Total</b>	<b>15,000</b>

(viii) Details of the Preferential allotment of 4,00,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Purushottam Brijlal Sharma	2,50,000
2.	Narendra Parameswarappa Kotehall	1,50,000
	<b>Total</b>	<b>4,00,000</b>

(ix) Details of the Right Issue of 3,50,000 Equity Shares of face value of ₹ 10/- each as per the details given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Purushottam Brijlal Sharma	2,50,000
2.	Narendra Parameswarappa Kotehall	1,00,000
	<b>Total</b>	<b>3,50,000</b>

(x) Bonus issue of 66,78,000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 2:1 i.e., Two (2) Bonus Equity Shares for every One (1) Equity Shares held by shareholders. (refer point no. 4 below for allottees list)

- b) As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.
3. Except as mentioned in point number 2 a (x) above, the Company has not issued any Equity Share in the last two years preceding the date of the Draft Red Herring Prospectus.
4. 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
March 18, 2024	66,78,000	10.00	Nil	Bonus Issue in the ratio of 2:1	Capitalization of Reserves & Surplus	Aditya Sharma	15,02,000
						Manojkumar Shyamsunder Sharma	15,00,000
						Rohit Krishnakumar Sharma	15,00,000
						Kabir Radheyshyam Sharma	15,00,000
						Purushottam Brijlal Sharma	5,72,000
						Narendra Parameswarappa Kotehall	96,000
						Manjula Sharma	2,000
						Krishnakumar Madanmohan Sharma	2,000
						Radheyshyam Brajlal Sharma	2,000
						Shyamsunder Brijlal Sharma	2,000
						<b>TOTAL</b>	<b>66,78,000</b>

5. 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.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for Bonus Issue made on March 18, 2024, our Company has not issued Equity shares at price below the Issue price within last one year from the date of the Draft Red Herring Prospectus. (refer point no. 4 above for allottees list)
8. 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 Draft Red Herring Prospectus:

**I - Our Shareholding Pattern:**

Sr No	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.	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class	Total								
<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI</b>	<b>VII = IV+V+VI</b>	<b>VIII</b>	<b>IX</b>				<b>X</b>	<b>XI=VII+X</b>	<b>XII</b>	<b>XIII</b>	<b>XIV</b>		
(A)	Promoters & Promoter Group	10	1,00,17,000	-	-	1,00,17,000	100.00	1,00,17,000	-	1,00,17,000	100.00	-	-	-	-	-	1,00,17,000	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>10</b>	<b>1,00,17,000</b>	<b>-</b>	<b>-</b>	<b>1,00,17,000</b>	<b>100.00</b>	<b>1,00,17,000</b>	<b>-</b>	<b>1,00,17,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,00,17,000</b>	

**Notes-**

As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.

We have only one class of Equity Shares of face value of ₹ 10/- each.

We have entered into tripartite agreement with CDSL & NSDL.

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 NSE 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 Draft Red Herring Prospectus:

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Aditya Sharma	22,53,000	22.49
2.	Manojkumar Shyamsunder Sharma	22,50,000	22.46
3.	Rohit Krishnakumar Sharma	22,50,000	22.46
4.	Kabir Radheyshyam Sharma	22,50,000	22.46
5.	Purushottam Brijlal Sharma	8,58,000	8.57
6.	Narendra Parameswarappa Kotehall	1,44,000	1.44
	<b>Total</b>	<b>1,00,05,000</b>	<b>99.88</b>

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital
1.	Aditya Sharma	22,53,000	22.49
2.	Manojkumar Shyamsunder Sharma	22,50,000	22.46
3.	Rohit Krishnakumar Sharma	22,50,000	22.46
4.	Kabir Radheyshyam Sharma	22,50,000	22.46
5.	Purushottam Brijlal Sharma	8,58,000	8.57
6.	Narendra Parameswarappa Kotehall	1,44,000	1.44
	<b>Total</b>	<b>1,00,05,000</b>	<b>99.88</b>

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Shar Capital
1.	Aditya Sharma	7,51,000	22.49
2.	Manojkumar Shyamsunder Sharma	7,50,000	22.46
3.	Rohit Krishnakumar Sharma	7,50,000	22.46
4.	Kabir Radheyshyam Sharma	7,50,000	22.46
5.	Purushottam Brijlal Sharma	2,86,000	8.57
6.	Narendra Parameswarappa Kotehall	48,000	1.44
	<b>Total</b>	<b>33,35,000</b>	<b>99.88</b>

\*Details of shares held on July 06, 2023 and percentage held has been calculated based on the paid-up capital of our Company as on July 06, 2023.

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

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Issue paid up Shar Capital
1.	Aditya Sharma	7,51,000	22.49
2.	Manojkumar Shyamsunder Sharma	7,50,000	22.46
3.	Rohit Krishnakumar Sharma	7,50,000	22.46
4.	Kabir Radheyshyam Sharma	7,50,000	22.46
5.	Purushottam Brijlal Sharma	2,86,000	8.57
6.	Narendra Parameswarappa Kotehall	48,000	1.44
	<b>Total</b>	<b>33,35,000</b>	<b>99.88</b>

\*Details of shares held July 06, 2022 and percentage held has been calculated based on the paid-up capital of our Company as on July 06, 2022.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

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 Draft 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 Draft Red Herring Prospectus, Our Promoters Aditya Sharma, Manojkumar Shyamsunder Sharma, Rohit Krishnakumar Sharma, Kabir Radheyshyam Sharma, Purushottam Brijlal Sharma and Narendra Parameswarappa Kotehall collectively holds 1,00,05,000 Equity Shares of our Company. None of the Equity Shares held by our Promoters are 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 % (adjusted as per face value)	Post-Issue Shareholding % (adjusted as per face value)
<b>(A) Aditya Sharma</b>							
Upon Incorporation	1,000	10	10	Cash	Subscriber to MOA	0.01%	[●]
September 27, 2021	6,50,000	10	-	Gift	Acquisition by way of Gift <sup>(i)</sup>	6.49%	[●]
March 16, 2022	1,00,000	10	70	Cash	Acquisition by way of Transfer <sup>(ii)</sup>	1.00%	[●]
March 18, 2024	15,02,000	10	-	Other than Cash	Bonus in the ratio of 2:1	14.99%	[●]
<b>Total (A)</b>	<b>22,53,000</b>					<b>22.49%</b>	<b>[●]</b>
<b>(B) Manojkumar Shyamsunder Sharma</b>							
October 04, 2021	6,50,000	10	-	Gift	Acquisition by way of Gift <sup>(iii)</sup>	6.49%	[●]
March 16, 2022	1,00,000	10	70	Cash	Acquisition by way of Transfer <sup>(iv)</sup>	1.00%	[●]
March 18, 2024	15,00,000	10	-	Other than Cash	Bonus in the ratio of 2:1	14.97%	[●]
<b>Total (B)</b>	<b>22,50,000</b>					<b>22.46%</b>	<b>[●]</b>
<b>(C) Rohit Krishnakumar Sharma</b>							
October 04, 2021	6,50,000	10	-	Gift	Acquisition by way of Gift <sup>(v)</sup>	6.49%	[●]
March 16, 2022	1,00,000	10	70	Cash	Acquisition by way of Transfer <sup>(vi)</sup>	1.00%	[●]
March 18, 2024	15,00,000	10	-	Other than Cash	Bonus in the ratio of 2:1	14.97%	[●]
<b>Total (C)</b>	<b>22,50,000</b>					<b>22.46%</b>	<b>[●]</b>
<b>(D) Kabir Radheyshyam Sharma</b>							
September 27, 2021	6,50,000	10	-	Gift	Acquisition by way of Gift <sup>(vii)</sup>	6.49%	[●]
March 16, 2022	1,00,000	10	70	Cash	Acquisition by way of Transfer <sup>(viii)</sup>	1.00%	[●]
March 18, 2024	15,00,000	10	-	Other than Cash	Bonus in the ratio of 2:1	14.97%	[●]
<b>Total (D)</b>	<b>22,50,000</b>					<b>22.46%</b>	<b>[●]</b>
<b>(E) Purushottam Brijlal Sharma</b>							
Upon Incorporation	41,000	10	10	Cash	Subscriber to MOA	0.41%	[●]
February 11, 2003	4,65,000	10	10	Cash	Right Issue	4.64%	[●]
September 29, 2004	2,50,000	10	10	Cash	Right Issue	2.50%	[●]
March 31, 2006	6,50,000	10	10	Cash	Right Issue	6.49%	[●]
September 30, 2006	7,90,000	10	10	Cash	Preferential Allotment	7.89%	[●]

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 % (adjusted as per face value)	Post-Issue Shareholding % (adjusted as per face value)
March 31, 2008	2,50,000	10	10	Cash	Preferential Allotment	2.50%	[●]
March 30, 2009	2,50,000	10	10	Cash	Right Issue	2.50%	[●]
April 01, 2009	1,90,000	10	10	Cash	Acquisition by way of Transfer <sup>(ix)</sup>	1.90%	[●]
September 27, 2021	(13,00,000)	10	-	Gift	Transfer of Shares <sup>(x)</sup>	(12.98%)	[●]
October 04, 2021	(13,00,000)	10	-	Gift	Transfer of Shares <sup>(xi)</sup>	(12.98%)	[●]
March 18, 2024	5,72,000	10	-	Other than Cash	Bonus in the ratio of 2:1	5.71%	[●]
<b>Total (E)</b>	<b>8,58,000</b>					<b>8.57%</b>	<b>[●]</b>
<b>(F) Narendra Parameswarappa Kotehall</b>							
Upon Incorporation	4,000	10	10	Cash	Subscriber to MOA	0.04%	[●]
February 11, 2003	1,85,000	10	10	Cash	Right Issue	1.85%	[●]
September 29, 2004	9,000	10	10	Cash	Right Issue	0.09%	[●]
March 31, 2008	1,50,000	10	10	Cash	Preferential Allotment	1.50%	[●]
March 30, 2009	1,00,000	10	10	Cash	Right Issue	.00%	[●]
March 16, 2022	(4,00,000)	10	70	Cash	Transfer of Shares <sup>(xii)</sup>	(3.99%)	[●]
March 18, 2024	96,000	10	-	Other than Cash	Bonus in the ratio of 2:1	0.96%	[●]
<b>Total (F)</b>	<b>1,44,000</b>					<b>1.44%</b>	<b>[●]</b>
<b>Grand Total (A+B+C+D+E+F)</b>	<b>1,00,05,000</b>					<b>99.88%</b>	

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

(i) Details of Acquisition of 6,50,000 shares by Aditya Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	September 27, 2021	Purushottam Brijlal Sharma	6,50,000
		<b>Total</b>	<b>6,50,000</b>

(ii) Details of Acquisition of 1,00,000 shares by Aditya Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	March 16, 2022	Narendra Parameswarappa Kotehall	1,00,000
		<b>Total</b>	<b>1,00,000</b>

(iii) Details of Acquisition of 6,50,000 shares by Manojkumar Shyamsunder Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	October 04, 2021	Purushottam Brijlal Sharma	6,50,000
		<b>Total</b>	<b>6,50,000</b>

(iv) Details of Acquisition of 1,00,000 shares by Manojkumar Shyamsunder Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	March 16, 2022	Narendra Parameswarappa Kotehall	1,00,000
		<b>Total</b>	<b>1,00,000</b>



(v) Details of Acquisition of 6,50,000 shares by Rohit Krishnakumar Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	October 04, 2021	Purushottam Brijlal Sharma	6,50,000
		<b>Total</b>	<b>6,50,000</b>

(vi) Details of Acquisition of 1,00,000 shares by Rohit Krishnakumar Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	March 16, 2022	Narendra Parameswarappa Kotehall	1,00,000
		<b>Total</b>	<b>1,00,000</b>

(vii) Details of Acquisition of 6,50,000 shares by Kabir Radheyshyam Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	September 27, 2021	Purushottam Brijlal Sharma	6,50,000
		<b>Total</b>	<b>6,50,000</b>

(viii) Details of Acquisition of 1,00,000 shares by Kabir Radheyshyam Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	March 16, 2022	Narendra Parameswarappa Kotehall	1,00,000
		<b>Total</b>	<b>1,00,000</b>

(ix) Details of Acquisition of 1,90,000 shares by Purushottam Brijlal Sharma:

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	April 01, 2009	Indo-City Infotech Limited	50,000
2.	April 01, 2009	Prarambh Multitrade Private Limited	20,000
3.	April 01, 2009	Hakmans Financials Services & Securities Private Limited	20,000
4.	April 01, 2009	Santoshima Lease Finance & Investments (I) Limited	20,000
5.	April 01, 2009	Creative World Telefilms Limited	20,000
6.	April 01, 2009	Shyam Alcohol & Chemicals Limited	15,000
7.	April 01, 2009	Lunkad Textiles Private Limited	15,000
8.	April 01, 2009	Javda India Impex Limited	15,000
9.	April 01, 2009	Jagmandri Finvest Private Limited	15,000
		<b>Total</b>	<b>1,90,000</b>

(x) Details of transfer of 13,00,000 shares by Purushottam Brijlal Sharma:

Sr. No.	Date of Transfer	Name of Transferee	No. of Shares Transferred
1.	September 14, 2021	Aditya Sharma	6,50,000
2.	September 14, 2021	Kabir Radheyshyam Sharma	6,50,000
		<b>Total</b>	<b>13,00,000</b>

(xi) Details of transfer of 13,00,000 shares by Purushottam Brijlal Sharma:

Sr. No.	Date of Transfer	Name of Transferee	No. of Shares Transferred
1.	October 04, 2021	Manojkumar Shyamsunder Sharma	6,50,000
2.	October 04, 2021	Rohit Krishnakumar Sharma	6,50,000
		<b>Total</b>	<b>13,00,000</b>

(xii) Details of transfer of 4,00,000 shares by Narendra Parameswarappa Kotehall:

Sr. No.	Date of Transfer	Name of Transferee	No. of Shares Transferred
1.	March 16, 2022	Manojkumar Shyamsunder Sharma	1,00,000
2.	March 16, 2022	Rohit Krishnakumar Sharma	1,00,000
3.	March 16, 2022	Kabir Radheyshyam Sharma	1,00,000
4.	March 16, 2022	Aditya Sharma	1,00,000
		<b>Total</b>	<b>4,00,000</b>

## 14. The average cost of acquisition of 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.	Aditya Sharma	22,53,000	3.11
2.	Manojkumar Shyamsunder Sharma	22,50,000	3.11
3.	Rohit Krishnakumar Sharma	22,50,000	3.11
4.	Kabir Radheyshyam Sharma	22,50,000	3.11
5.	Purushottam Brijlal Sharma	8,58,000	33.64
6.	Narendra Parameswarappa Kotehall	1,44,000	0

## 15. Shareholding of Promoters &amp; 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</b>					
1.	Aditya Sharma	22,53,000	22.49	22,53,000	[●]
2.	Manojkumar Shyamsunder Sharma	22,50,000	22.46	22,50,000	[●]
3.	Rohit Krishnakumar Sharma	22,50,000	22.46	22,50,000	[●]
4.	Kabir Radheyshyam Sharma	22,50,000	22.46	22,50,000	[●]
5.	Purushottam Brijlal Sharma	8,58,000	8.57	8,58,000	[●]
6.	Narendra Parameswarappa Kotehall	1,44,000	1.44	1,44,000	[●]
<b>Sub Total (A)</b>		<b>1,00,05,000</b>	<b>99.88</b>	<b>1,00,05,000</b>	<b>[●]</b>
<b>Promoter Group</b>					
7.	Radheyshyam Brajlal Sharma	3,000	0.03	3,000	[●]
8.	Shyamsunder Brijlal Sharma	3,000	0.03	3,000	[●]
9.	Krishnakumar Madanmohan Sharma	3,000	0.03	3,000	[●]
10.	Manjula Sharma	3,000	0.03	3,000	[●]
<b>Sub Total (B)</b>		<b>12,000</b>	<b>0.12</b>	<b>12,000</b>	<b>[●]</b>
<b>Grand Total (A+B)</b>		<b>1,00,17,000</b>	<b>100.00</b>	<b>1,00,17,000</b>	<b>[●]</b>

16. No Equity Shares were purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

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 Draft 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 Draft Red Herring Prospectus, our Promoters hold 1,00,05,000 Equity Shares constituting 99.88% of the Issued, subscribed and paid-up Equity Share Capital of our Company.

Our Promoters, Aditya Sharma, Manojkumar Shyamsunder Sharma, Rohit Krishnakumar Sharma, Kabir Radheyshyam Sharma, Purushottam Brijlal Sharma and Narendra Parameswarappa Kotehall has given written consent to include 27,40,000 Equity Shares held by them and subscribed by them as part of Promoters’ Contribution constituting [●]% of the post issue Equity Shares of our Company. Further, he has 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 Up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Aditya Sharma</b>						
March 18, 2024	6,17,000	10	-	Bonus Issue	[●]	3 years
<b>Kabir Radheyshyam Sharma</b>						
March 18, 2024	6,17,000	10	-	Bonus Issue	[●]	3 years

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Manojkumar Shyamsunder Sharma</b>						
March 18, 2024	6,16,000	10	-	Bonus Issue	[●]	3 years
<b>Rohit Krishnakumar Sharma</b>						
March 18, 2024	6,16,000	10	-	Bonus Issue	[●]	3 years
<b>Purushottam Brijlal Sharma</b>						
March 18, 2024	2,35,000	10	-	Bonus Issue	[●]	3 years
<b>Narendra Parameswarappa Kotehall</b>						
March 18, 2024	39,000	10	-	Bonus Issue	[●]	3 years
<b>Total</b>	<b>27,40,000</b>				[●]	3 years

\*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.

The entire pre-issue shareholding of the Promoters, 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

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
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 promoter 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 promoter 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 promoter of the issuer and there is no change in the management: Provided that specified securities, allotted to promoter 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 Promoter has 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 72,77,000 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 duration 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:**

- a) In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 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.
  - b) In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 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, 2018 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.
  - c) Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 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 promoter 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 Draft 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 Draft Red Herring Prospectus.
  22. As on the date of this Draft 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 10 shareholders as on the date of filing of this Draft Red Herring Prospectus.
  24. As on the date of filing of this Draft 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 Draft 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 Draft 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 subject to the maximum post issue paid up capital of ₹ 25 cr. 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. 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 a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Category will not be allowed to be met with spill over from any category or combination thereof.

30. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
31. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
32. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
33. There are no Equity Shares against which depository receipts have been issued.
34. Other than the Equity Shares, there is no other class of securities issued by our Company.
35. There are no safety net arrangements for this public issue.
36. As per RBI regulations, OCBs are not allowed to participate in this issue.
37. Our Promoters and Promoter Group will not participate in this Issue.
38. This Issue is being made through Book Building Method.
39. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
40. 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.
41. 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.
42. 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 Prospectus with the Registrar of companies and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

**OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of upto 36,00,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. To Meet Working Capital Requirements;
2. Repayment of a portion of certain borrowing availed by our Company;
3. 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 SME Platform of NSE (NSE Emerge). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

**Net Proceeds**

The details of the Net Proceeds are set forth below:

		(₹ in Lakhs)
Particulars		Amount
Gross Proceeds of the Issue		[●]
Less: Issue related expenses in relation to Issue*		[●]
Net Proceeds		[●]

\*To be finalized upon determination of the Issue price and will be updated in the prospectus prior to the filing with the RoC

**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:

			(₹ in Lakhs)
S. No.	Particulars		Amount
1.	To Meet Working Capital Requirements		[●]
2.	Repayment of a portion of certain borrowing availed by our Company		1,000.00
3.	General Corporate Purpose*		[●]
	<b>Total</b>		[●]

\*To be finalized upon determination of the Issue Price and update in the prospectus prior to the filing with the RoC. The amount utilized for general corporate purpose shall not exceed 25% of the Gross Proceeds.

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:

		(₹ in Lakhs)
Particulars		Amount
Net Issue Proceeds		[●]
<b>Total</b>		[●]

**Since, the entire fund requirement is 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 230(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 Draft 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 67 of this Draft Red Herring Prospectus. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

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 23 of this Draft Red Herring Prospectus.

### Details of Utilization of Net Proceeds

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

#### 1. 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 business requires working capital majorly for investment in inventories, trade receivables and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹ [●] lakhs from the Net Proceeds of the Offer and balance from internal accruals/borrowings at an appropriate time. 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:

(₹ in Lakhs)

S. No.	Particulars	Restated Financial Information			Estimated
		March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
<b>I</b>	<b>Current Assets</b>				
	Inventories	1,955.53	1,453.02	1,758.69	3,366.45
	Trade Receivables	3,323.64	3,387.77	4,442.17	5,045.54
	Short-Term Loans & Advances	1,230.63	1,181.45	702.09	562.45
	Other Current Assets	-	-	529.83	363.94
	<b>Total (A)</b>	<b>6,509.81</b>	<b>6,022.23</b>	<b>7,432.78</b>	<b>9,338.39</b>
<b>II</b>	<b>Current Liabilities</b>				
	Trade Payables	3,445.42	2,526.33	2,796.06	2,061.23
	Other Current Liabilities	140.28	63.01	292.35	413.57
	Short-Term Provisions	160.00	205.00	92.96	99.26
	<b>Total (B)</b>	<b>3,745.70</b>	<b>2,794.34</b>	<b>3,181.37</b>	<b>2,574.05</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>2,764.11</b>	<b>3,227.90</b>	<b>4,251.41</b>	<b>6,764.34</b>
<b>IV</b>	<b>Funding Pattern</b>				
	Short Term borrowings & Internal accrual	2,764.11	3,227.90	4,251.41	[●]
	<b>IPO Proceeds</b>				[●]

#### 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, 2024, March 31, 2023 and March 31, 2022, as well as projections for financial year ended March 31, 2025.

Particulars	Unit	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
		Audited	Audited	Audited	Estimated
Inventories	Days	45	51	46	65
Trade Receivables	Days	76	88	99	105
Trade Payables	Days	82	93	75	60

#### Justification:

<b>Inventories</b>	Inventories include raw materials, spares and finished goods. The historical holding days of inventories has been in range of 45 days to 51 days during Fiscal 2022 to Fiscal 2024. With the perspective to increase business operations and explore new business areas the Company estimates inventories holding days to be around 65 days in Fiscal 25. From FY 2025 onwards, we anticipate an increase in inventory turnover due to the need to maintain more than 2-3 months of inventory to meet sudden demand fluctuations. Export
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	customers do not place orders unless we have sufficient stock, and with an increase in executable orders, higher levels of working capital funds will be required.
<b>Trade Receivables</b>	The historical holding days of trade receivables has been ranging from 76 days to 99 days during Fiscal 2022 to Fiscal 2024. 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 to be around 105 days of total revenue from operations during Fiscal 2025. We will be required to offer extended credit periods to our customers, allowing them more time to settle their invoices and capture larger customer base in the industry. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships. Moreover, company is planning to explore new areas of business and to build strong relationships with customer ahead of their competitor's company we required to offer extended credit period to our customers.
<b>Trade Payables</b>	Past trend of Trade payables holding days has been in the range of 75 days to 93 days approximately during Fiscal 2022 to Fiscal 2024. However, with additional working capital funding, our Company intends to reduce trade payable to 60 days during 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.

## 2. Repayment of a portion of certain borrowing availed by our Company

Our Company has entered into various borrowing arrangements with banks including borrowings in the form of term loans, vehicle loans and cash credit for working capital facilities. For details of our outstanding financial indebtedness, see 'Statement of Financial Indebtedness' on page 168 of this Draft Red Herring Prospectus. As at March 31, 2024, we had various borrowings facilities with total outstanding of ₹ 2,161.40 lakhs.

We propose to utilise an estimated amount of ₹1,000.00 Lakhs from the Net Proceeds to repay in part or full certain borrowing, listed below, availed from the lender by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

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

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

(₹ in Lakhs)									
Sr. No.	Name of the lender	Nature of the borrowing	Sanctioned amount	Outstanding amount as on March 31, 2024	Rate of interest (%)	Repayment Date/Schedule	Primary & Collateral Security	Purpose for which the loan was sanctioned	Amount to be repaid from the issue proceeds
1	ICICI Bank Limited	Cash Credit	850.00	470.93	9.60%	Repayable on Demand	Refer Note A	For the purpose of Working Capital	500.00
2.		Export Packing Credit		250.00	9.50%				
3.	Bank of India	Cash Credit	300.00	270.70	9.90%	Repayable on Demand	Refer Note B	For the purpose of Working Capital	500.00
4.		Export Packing Credit	1,000.00	650.00					
<b>TOTAL</b>									<b>1,000.00</b>

Note: The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated June 27, 2024.

\*Our Statutory Auditors by way of their certificate dated June 27, 2024 have confirmed that the borrowings specified above has been utilized for the purposes availed, as per the sanction letters/ loan agreements issued by the ICICI Bank Limited and Bank of India.

### **Note – A Security, Hypothecation & Guarantee Detail of ICICI Bank CC & EPC:**

1. *Pari Passu charge with Bank of India in favour of the ICICI Bank by way of hypothecation of the firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-*



debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank. (ICICI Bank 0 ₹ 85[Mn (45.95%) and BOI-₹ 100 Mn (54.05%).

2. Exclusive Charge on Plant & Machinery to be obtained prior to disbursement
3. Unconditional and irrevocable personal Guarantee from:
  - Mr Purushottam Sharma residing at B 1103 Vini Tower, Near Dheeraj Dham, Off Chincholi Bunder Road Malad W Mumba 400064 having personal Net Worth of 70.8 Mn as on 31.03.2021
  - Mr. Narendra K.P residing at A 202 Kalpataru Garden Apartment, Chakradhar Nagar, Nile More, Nalasopara, Thane-401203 having personal net worth of 0. 19.5 million as on 31.03.2021
  - Mr. Aditya Sharma residing at residing at B-1103 Vini Tower, Near Dheeraj Dham, Off Chincholi Bunder Rd Malad W Mumbai 400064 having personal Net Worth of [18.5 Mn as on 31.03.2021 (CA certified net worth statement to be taken and aggregate net worth of 3s.108.80 as on 31 Mar 2021 of each individual should not be less than the above-mentioned net worth. Copy of pan card, passport or Aadhar card is to be obtained)
  - Financial Guarantee of Uni synth Chemicals, situated at 106-107, Advent Ataria Chincholi Bunder Road, Malad West, Mumbai 400064 having TNW of [176.04 Mn as on 31st March 2021]
  - Two Recourse cheques in favour of ICICI Bank Ltd A/c Unilex Colours and Chemicals Ltd. One for total facility amount and one for two quarters interest assuming full utilization for Cash credit.
  - Extension of charge by way of equitable mortgage, in a form and manner satisfactory to the Bank, on the properties as described in the Table 1 below
  - For cross collateral, extension of charge by way of equitable mortgage, in a form and manner satisfactory to the Bank, on the properties taken in and having aggregate value as below: -

**Industrial Property:**

- Plot No E-10/2 MIDC Tarapur Industrial Area Navapur Road Near Kamboli Naka Thane MAHARASHTRA -401506 owned by Unilex Colours and Chemicals Limited Hypothecation of Vehicle - Kia Make & Model 2023SELTOS

**Commercial Property**

- Office No. 501 Quantum Towers Malad East Ram Buag, Off S. V. Road Mumbai Maharashtra-400064 owned by Unisynth Chemicals

**Note – B Security, Hypothecation & Guarantee Detail of Bank of India CC & EPC:**

- *Pari-Passu firstcharge by way Hypothecation of company's entire stock (including raw materials, semi- finished, and finished goods. consumable stores and spares) and book debts, both present and future, along with ICICI bank.*
- **Collateral Security**
  - A) Property — 1: Exclusive charge by way of EQM of property situated at Flat No. 1401, 14th Floor, D Wing, Imperial Heights, Goregaon Malad Link Road, Goregaon West, Mumbai-400 104 in the name of Mr. Manojkumar S. Sharma and Smt. Sunita Manoj Sharma, Carpet area: 1863 sq. ft.
  - B) Property — 2: Exclusive charge by way of EQM of property situated at Flat No. 1103, 11th Floor, B Wing, Vini Tower, Sunder Nagar, Malad West, Mumbai-400 064 in the name of Shri Purushottam Brijlal Sharma and Mr. Aditya Sharma, Carpet area: 1226 sq. ft.
- **Guarantor:**
  - Shri Purushottam Brijlal Sharma
  - Shri Narendra K.P.
  - Mr. Aditya Sharma
  - Mr. Manojkumar S. Sharma
  - Smt. Sunita Manoj Sharma

**3. General Corporate Purpose**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

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 ₹ [●] 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/ Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**Public Issue Expenses**

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

Activity	Amount (₹ in Lakh)	As a % of Estimates Issue Expenses	As a % of Issue Size
Book Running Lead Manger Fees	[●]	[●]	[●]
Underwriting Commission	[●]	[●]	[●]
Brokerage and selling commission	[●]	[●]	[●]
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 Statutory Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

(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*	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●]% 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 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	[●] per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	[●] per 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)	[●] per valid application (plus applicable taxes)
Sponsor Bank [●]	[●] per 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, other agreements 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	[●]% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	[●]% 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: ₹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*	[●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●] 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 ₹ 1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ 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: ₹ 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 NSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and/or 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:

		(₹ In Lakhs)
S. No.	Particulars	F.Y. 2024-25
1.	To Meet Working Capital Requirements	[●]
2.	Repayment of a portion of certain borrowing availed by our Company	1,000.00
3.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

#### Appraisal

The fund requirements, deployment of funds and the intended use of the Net Proceeds as described in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus are based on our current business plan, management estimates, prevailing market conditions and other commercial considerations. However, such fund requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, our business and growth strategies, competitive landscape, general factors affecting our results of operations, financial condition and access to capital and other external factors such as changes in the business environment or regulatory climate and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail reviewing the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

#### 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 this Draft Red Herring Prospectus, we have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, in case of delay in the IPO and consequent delay in accessing the net proceeds of the Issue, we may draw down such amounts, as may be required, from an overdraft arrangement/ cash credit/ term loan facility with our lenders or through unsecured loans to finance for purchase of such machineries as described in the section 'Objects of the Issue' until

completion of the Issue. Any amount that is drawn down from such facility availed from any Bank/NBFC or Financial Institution or through unsecured loans during this period to finance 'Objects of the Issue' will be repaid from the Net Proceeds of the Issue.

### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed ₹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 Draft 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 Promoter, 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 23, 91 and 137 respectively of the Draft 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.

Price Band/ Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer “**Risk Factors**”, “**Our Business**” and “**Financial Statement as restated**” beginning on page 23, 91 and 137 respectively of this Draft Red Herring Prospectus.

**Qualitative Factors**

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

- a) Long standing relationships with diversified customers across geographies;
- b) We offer a diversified range of products;
- c) Catering to wide range of industries;
- d) Experienced Promoters and Directors with strong management team having 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 91 of this Draft 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 137 of this Draft 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	Financial Year	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2024	6.16	3
2.	Financial Year ending March 31, 2023	4.96	2
3.	Financial Year ending March 31, 2022	4.70	1
	<b>Weighted Average</b>	<b>5.52</b>	<b>6</b>

**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
- 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.

**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 period ending March 31, 2023	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	
Highest (Kesar Petroproducts Limited)	36.51
Lowest (Sudarshan Chemical Industries Ltd)	18.62
<b>Industry Average</b>	<b>27.57</b>

\*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE have been calculated based on the PE of the Peer company of Kesar Petroproducts Limited. & Sudarshan Chemical Industries Ltd.

**Note:**

- The P/E ratio of our Company has been computed by dividing Issue Price with EPS.
- P/E Ratio of the company is based on the exchange announcement of the company for the year 2024 and stock exchange data dated June 24, 2024.

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

Sr. No	Financial Year	RONW (%)	Weights
1	Period ending March 31, 2024	16.73%	3
2	Period ending March 31, 2023	15.52%	2
3	Period ending March 31, 2022	16.79%	1
	<b>Weighted Average</b>	<b>16.34%</b>	<b>6</b>

**Note:**

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing restated net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year
- 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, 2022	28.01
2.	As at March 31, 2023	31.97
3.	As at March 31, 2024	36.80
4.	NAV per Equity Share after the Issue	
	i) At Floor Price	[●]
	ii) At Cap Price	[●]
5.	Issue Price	[●]

**Notes:**

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share=Restated Net worth at the end of the year divided by total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares)
- 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 and debit or credit balance of profit and loss account.
- 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**

Name of Company	Current Market Price (₹)	Face Value (₹)	EPS(₹)	PE	RoNW (%) *	Book Value (₹)	Total Income (₹ in Lakhs)
Unilex Colours and Chemicals Limited	[●]	10.00	6.16	[●]	16.73%	36.80	14932.88
<b>Peer Group</b>							
Kesar Petroproducts Ltd.	18.62	1.00	0.51	36.51	3.99%	12.87	15656
Sudarshan Chemical Industries Ltd.	901.35	2.00	48.40	18.62	30.29%	159.84	215882.3

**Notes:**

- (i) Source – Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024. For our Company, we have taken CMP as the Offer price of equity share. Further, P/E Ratio is based on the CMP of the respective scrip's.
- (ii) The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2023-24 as adjusted with the effect of Bonus Issue.
- (iii) P/E Ratio of the company is based on the Audited Results for the year ended 2024 and stock exchange data dated 28.06.2024.
- (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. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Offer 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 in the Meeting of Audit Committee dated June 27, 2024 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 Draft Red Herring Prospectus. Further, the KPIs herein have been certified by Mittal & Associates, Chartered Accountants, by their certificate dated June 27, 2024.

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 91 and 171 respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus.

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	As of and for the year ended		
	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from Operations <sup>(1)</sup>	14,385.01	13,939.03	14,527.46
EBITDA <sup>(2)</sup>	430.57	274.01	100.34
EBITDA Margin <sup>(3)</sup>	2.99%	1.97%	0.69%
PAT <sup>(4)</sup>	616.67	497.07	471.17
PAT Margin <sup>(5)</sup>	4.29%	3.57%	3.24%
RoE(%) <sup>(6)</sup>	17.90%	16.54%	17.98%

**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 Margin is calculated as PAT for the period/year divided by revenue from operations.
- <sup>(5)</sup> 'PAT Margin' is calculated as PAT for the year divided by revenue from operations.
- <sup>(6)</sup> Return on Equity is ratio of Profit after Tax and Average Shareholder Equity

**Explanation for KPI metrics:**

KPI	Explanations
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.

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

Key Financial Performance	Unilex Colours and Chemicals Limited			Kesar Petroproducts Ltd.			Sudarshan Chemical Industries Ltd.		
	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	14,385.01	13,939.03	14,527.46	14889	11996.0	15309.9	214142.9	197610.5	191891.1
EBITDA <sup>(2)</sup>	430.57	274.01	100.34	230	657	800.1	58677.1	18147.3	23328.2
EBITDA Margin <sup>(3)</sup>	2.99%	1.97%	0.69%	1.54%	5.48%	5.23%	27.40%	9.18%	12.16%
PAT <sup>(4)</sup>	616.67	497.07	471.17	497	47.0	267.3	33512.4	3141.0	10037.6
PAT Margin <sup>(5)</sup>	4.29%	3.57%	3.24%	3.34%	0.39%	1.75%	15.65%	1.59%	5.23%
RoE(%) <sup>(6)</sup>	17.93%	16.54%	17.98%	4.08%	0.39%	2.27%	35.01%	3.83%	12.53%

\*All the information for listed industry peer mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report.

**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 Margin is calculated as PAT for the period/year divided by revenue from operations.

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

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

**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 March 18, 2024, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the 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 and transmission 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 Transactions:**

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

Date of Allotment	No. of equity shares allotted	Issue Price per equity shares (₹)	Nature of Allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
March 18, 2024	66,78,000	Nil	Bonus Issue	Other than Cash	Nil

**Weighted average cost of acquisition & Issue price**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap Price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary/ new issue as per paragraph 8(a) above.	NA^	NA^	NA^



Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap Price* (i.e. ₹ [●])
Weighted average cost of acquisition for secondary sale/ acquisition as per paragraph 8(b) above.	NA^^	NA^^	NA^^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	0.00	[●] times	[●] times

Note:

^There were no primary/ new issue of shares (equity/ convertible securities) as mentioned in paragraph 8(a) above, in last 18 months from the date of this Draft Red Herring Prospectus.

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

\* To be updated at Prospectus stage.

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 [●], all editions of Hindi national newspaper [●] and Marathi edition of regional newspaper [●] where the registered office of the company is situated each with wide circulation.

The Issue Price of ₹ [●] will 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 abovementioned information along with **“Our Business”**, **“Risk Factors”** and **“Restated Financial Statements”** on pages 91, 23 and 137 respectively of this Draft Red Herring Prospectus 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,**  
**Unilex Colours and Chemicals Limited**  
106-107, Advent Atria, Chincholi Bunder Road,  
Malad (West), Mumbai-400064, Maharashtra, India

Dear Sirs,

**Sub: Statement of Special Tax Benefit ('the Statement') available to UNILEX COLOURS AND CHEMICALS LIMITED and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by the management of **Unilex Colours and Chemicals Limited** ('the Company') states the special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act') as amended from time to time, 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, 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 the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated 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 hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, 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.

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

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

The contents of this annexure 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 and the provisions of the tax laws.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. The enclosed Annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent. Signed in terms of our separate report of even date.

**For Mittal & Associates**  
**Chartered Accountants**  
**Firm Registration No. 106456W**

Sd/-

**Hemant Bohra**  
**Partner**  
**Membership No. 165667**  
**UDIN: 24165667BKZF13152**  
**Place: Mumbai**  
**Date: June 27, 2024**

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

Outlined below are the Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961, presently forced 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 the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

**1. Special Tax Benefits available to the Company under the Act:**

The Company is not entitled to any Special tax benefits under the Act.

**2. Special Tax Benefits available to the shareholders of the Company**

The Shareholders of the company are not entitled to any Special tax benefits under the Act.

**Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

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 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.*

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in “**Our Business**” and “**Financial Information**” beginning on pages 91 and 137 respectively of this Draft Red Herring Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “**Risk Factors**” beginning on page 23 of this Draft Red Herring Prospectus.

### **GLOBAL ECONOMIC OUTLOOK**

Global growth is projected to stabilize at 2.6 percent this year, holding steady for the first time in three years despite flaring geopolitical tensions and high interest rates. It is then expected to edge up to 2.7 percent in 2025-26 amid modest growth in trade and investment. Global inflation is projected to moderate-but at a slower clip than previously assumed, averaging 3.5 percent this year. Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDEs) will likely remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average.

Despite an improvement in near-term growth prospects, the outlook remains subdued by historical standards in advanced economies and EMDEs alike. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average pace. In 2024-25, growth is set to underperform its 2010s average in nearly 60 percent of economies, representing more than 80 percent of global population and world output. EMDE growth is forecast to moderate from 4.2 percent in 2023 to 4 percent in both 2024 and 2025. Prospects remain especially lackluster in many vulnerable economies—over half of economies facing fragile-and conflict-affected situations will still be poorer by the end of this year than on the eve of the pandemic.

Global risks remain tilted to the downside despite the possibility of some upside surprises. Escalating geopolitical tensions could lead to volatile commodity prices, while further trade fragmentation risks additional disruptions to trade networks. Already, trade policy uncertainty has reached exceptionally high levels compared to other years that have featured major elections around the world since 2000. The persistence of inflation could lead to delays in monetary easing. A higher-for-longer path for interest rates would dampen global activity. Some major economies could grow more slowly than currently anticipated due to a range of domestic challenges. Additional natural disasters related to climate change could also hinder activity. On the upside, global inflation could moderate more quickly than assumed in the baseline, enabling faster monetary policy easing. In addition, growth in the United States could be stronger than expected.

Against this backdrop, decisive global and national policy efforts are needed to meet pressing challenges. At the global level, priorities include safeguarding trade, supporting green and digital transitions, delivering debt relief, and improving food security. At the national level, persistent inflation risks underscore the need for EMDE monetary policies to remain focused on price stability. High debt and elevated debt-servicing costs will require policy makers to seek ways to sustainably boost investment while ensuring fiscal sustainability. To meet development goals and bolster long-term growth, structural policies are needed to raise productivity growth, improve the efficiency of public investment, build human capital, and close gender gaps in the labor market.

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

The global economy is stabilizing, following several years of negative shocks. Global growth is projected to hold steady at 2.6 percent this year, despite flaring geopolitical tensions and high interest rates, before edging up to 2.7 percent in 2025-26 alongside modest expansions of trade and investment. Global inflation is expected to moderate at a slower clip than previously assumed, averaging 3.5 percent this year. Central banks in both advanced economies and emerging market and developing economies (EMDEs) are likely to remain cautious in easing policy. As such, markedly higher interest rates than prior to the pandemic are set to sustain for an extended period. Despite some improvement, the outlook remains subdued. Global growth over the forecast horizon is expected to be nearly half a percentage point below its 2010-19 average, with a slower pace of expansion in economies comprising over 80 percent of the global population. EMDE growth is projected to moderate from 4.2 percent in 2023 to 4 percent in 2024. Amid heightened conflict and violence, prospects remain especially lackluster in many vulnerable economies—over half of fragile and conflict-affected economies will still be poorer in 2024 than on the eve of the pandemic. Risks have become more balanced but remain tilted to the downside. Escalating geopolitical tensions could lead to volatile commodity prices. In a context of elevated trade policy uncertainty, further trade fragmentation risks additional disruptions to trade networks. More persistent inflation could lead to higher-for-longer interest rates. Other risks include weaker-than anticipated activity in key economies and disasters related to climate

change. Against this backdrop, policy makers face daunting challenges. Global efforts are needed to safeguard trade, support green and digital transitions, deliver debt relief, and improve food security. Still-pronounced inflation risks underscore the need for EMDE monetary policies to remain focused on price stability. High debt and elevated debt-servicing costs will require EMDE policy makers to balance sizable investment needs with fiscal sustainability. To meet development goals, policies are needed to raise productivity growth, improve the efficiency of public investment, build human capital, and close gender gaps in the labor market.

**Global prospects**

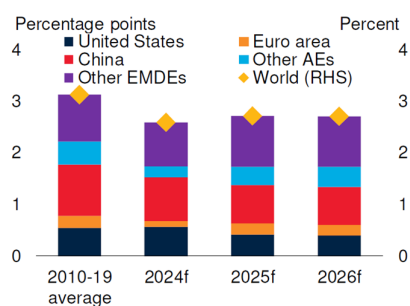
The global economy is stabilizing but the outlook remains subdued—both advanced economies and EMDEs are projected to grow at a slower pace over 2024-26 than in the pre-pandemic decade. Recent upward pressures on global core inflation are anticipated to gradually ease, such that headline inflation converges to levels broadly consistent with central bank targets by 2026. Market expectations for the path of U.S. policy rates have been repeatedly revised higher. Amid elevated borrowing costs, about two-fifths of EMDEs are acutely vulnerable to debt stress. In 2024-25, growth is expected to underperform its 2010-19 average in countries comprising more than 80 percent of global output and population. The multiple shocks of recent years have impeded per capita income catch-up, with almost half of EMDEs losing ground relative to advanced economies over 2020-24.

The global economy is stabilizing, following several years of overlapping negative shocks. Despite elevated financing costs and heightened geopolitical ensions, global activity firmed in early 2024. Global growth is envisaged to reach a slightly faster pace this year than previously expected, due mainly to the continued solid expansion of the U.S. economy. However, the extent of expected declines in global interest rates has moderated amid lingering inflation pressures in key economies. By historical standards, the global outlook remains subdued: both advanced economies and emerging market and developing economies (EMDEs) are set to grow at a slower pace over 2024-26 than in the decade preceding the pandemic (figure A).

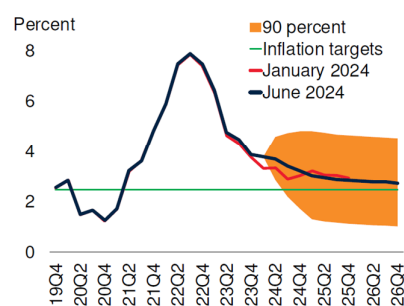
Inflation continues to wane globally, making progress toward central bank targets in advanced economies and EMDEs, but at a slower pace than previously expected. Core inflation has remained stubbornly high in many economies, supported by rapid growth of services prices. Over the remainder of 2024, continued tight monetary policy stances and slowing wage increases should help reduce inflation further. By the end of 2026, global inflation is expected to settle at an average rate of 2.8 percent, broadly consistent with central bank targets (figure B)

The anticipated extent of monetary easing in advanced economies this year has diminished substantially since late 2023—by more than a percentage point in the case of the United States. Expected policy rate paths diverge across major economies, as the European Central Bank proceeds with policy easing while the U.S. Federal Reserve keeps rates on hold for longer. Indeed, aside from short-term fluctuations, market expectations for the path of U.S. interest rates have repeatedly moved higher since 2022 (figure C). Despite this market reassessment, global financial conditions have eased this year, reflecting solid risk appetite following last year’s progress on disinflation and diminished concerns about the possibility of a sharp slowdown in global growth. In particular, global equity markets have made sizable gains

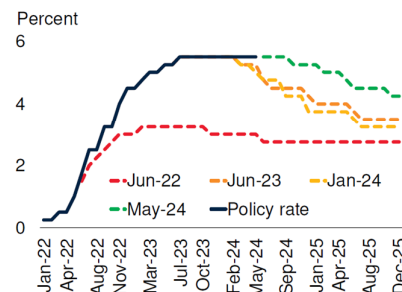
**A. Contributions to global growth**



**B. Global consumer price inflation**



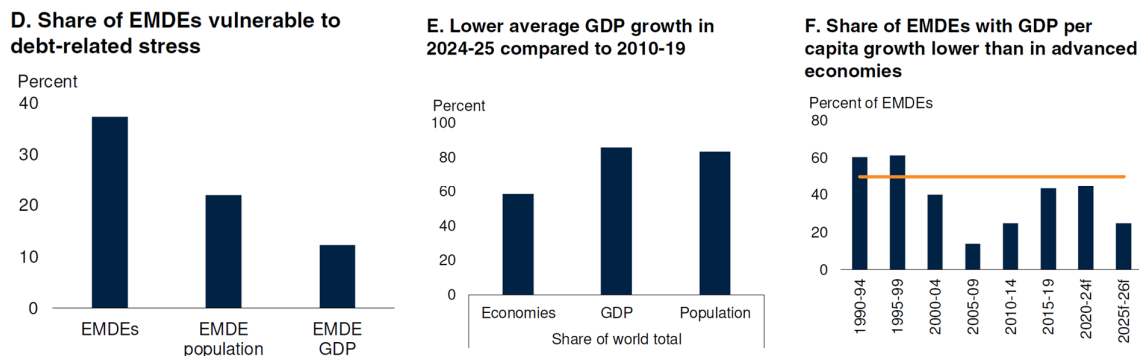
**C. Market expectations of U.S. policy rates**



EMDE financial conditions similarly became more accommodative early this year, aided by declining domestic policy rates, improving global sentiment, and expected easing of advanced economy monetary conditions. EMDE conditions turned somewhat less accommodative in the second quarter, as a strengthening of the U.S. dollar—prompted by geopolitical tensions and firm inflation data in the United States—coincided with a bout of capital outflows. Although market perceptions of sovereign credit risk have generally eased this year, EMDE borrowing costs continue to be high, and marked divergences persist. Indeed, credit ratings and debt sustainability analyses indicate that about 40 percent of EMDEs remain acutely vulnerable to debt-related stress (figure D).

Across the forecast horizon, global growth remains lackluster by recent historical standards, at about 0.4 percentage point below the 2010-19 average. In 2024-25, growth is set to underperform its average pace in the 2010s in nearly 60 percent of economies, representing more than 80 percent of global output and population (figure 1.1.E). The subdued outlook—despite the anticipated moderation of various cyclical headwinds underscores a secular deceleration of potential growth in many large economies. Relative to prepandemic norms, growth has weakened notably in countries that experienced high rates of inflation, much of which emanated from shocks to supply chains and commodity prices. Yet this trend is set to continue in the coming years, suggesting potentially enduring supply-side weakness.

GDP per capita in EMDEs is forecast to grow at about 3 percent on average over 2024-26, well below the average in 2010-19. Excluding China, EMDE per capita GDP growth is forecast to be lower still, averaging 2.5 percent over 2024-26. Some large EMDEs, such as India, are expected to see continued solid per capita growth. Yet the trend of the 2020s so far is one of uneven and limited progress. Nearly half of EMDEs are set to lose ground relative to advanced economies when viewed over the 2020-24 period (figure F). Although this trend is expected to improve somewhat over 2025-26 in EMDEs as a whole, per capita growth is set to remain stagnant in many LICs and FCS.



(Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/6feb9566-e973-4706-a4e1-b3b82a1a758d/content>)

## INDIAN ECONOMY OUTLOOK

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 rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies. The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the IMF in its October 2022 update of the World Economic Outlook. The frailties of the Chinese economy further contributed to weakening the growth forecasts. Slowing global growth apart from monetary tightening may also lead to a financial contagion emanating from the advanced economies where the debt of the non-financial sector has risen the most since the global financial crisis. With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

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. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year.

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. A much-improved financial health of well-capitalized public sector banks has positioned them better to increase the credit supply. Consequently, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government. The increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where

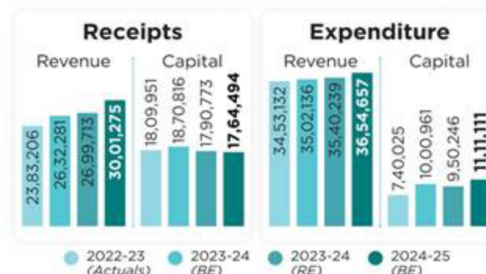
interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

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 Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECLGS) is easing their debt servicing concerns. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been directly providing jobs in rural areas and indirectly creating opportunities for rural households to diversify their sources of income generation. Schemes like PM-Kisan and PM Garib Kalyan Yojana have helped in ensuring food security in the country, and their impact was also endorsed by the United Nations Development Programme (UNDP). The results of the National Family Health Survey (NFHS) also show improvement in rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.

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. The CAD needs to be closely monitored as the growth momentum of the current year spills over into the next. Growth is expected to be brisk in FY24 as a vigorous credit disbursement, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.

Economic Survey 2022-23 (Source - <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>)

Despite uncertainty from adverse geopolitical developments and expansionary fiscal measures taken during the COVID-19 pandemic, the Indian economy has demonstrated resilience and maintained healthy macroeconomic fundamentals. As per the First Advance Estimates of National Income of FY 2023-24, India's Real GDP is projected to grow at 7.3 per cent. This was stated in the Macro-Economic Framework Statement 2024-25.



Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in H1 of FY2023-24. On the supply side, industry and services sectors were the primary growth drivers in H1 of FY2023-24. India has registered the highest growth among major advanced and emerging market economies during this period. As per the IMF, India is likely to become the third-largest economy in 2027 in USD at market exchange rate. It also estimates that India's contribution to global growth will rise by 200 basis points in 5 years.

Calling the decade of 2014-23 as the golden era for FDI inflows, Smt. Sitharaman informed the House that the inflow during this period was twice the figure during 2005-14, amounting to USD 596 billion. "For encouraging sustained foreign investment, we are negotiating bilateral investment treaties with our foreign partners, in the spirit of 'First Develop India'", she added.

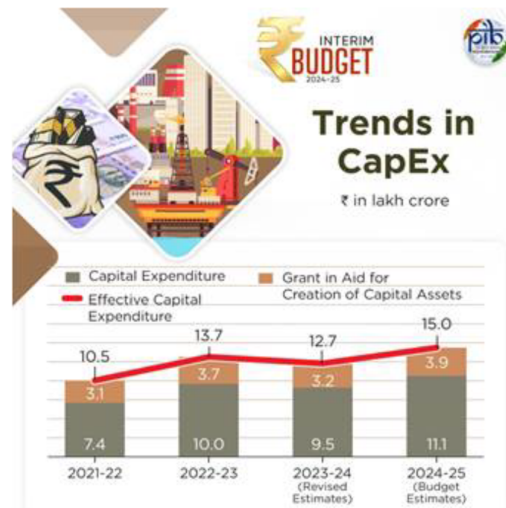
Macroeconomic stability and improvements in India's external position, particularly significant moderation in the current account deficit and revival of capital flows on the back of a comfortable foreign exchange reserves buffer, resulted in stability in the Indian rupee during FY 2023-24. Further, inflationary pressures in India moderated majorly driven by proactive supply side initiatives by the Government, noted the Macro-Economic Framework Statement 2024-25.

**Strategic priorities for FY 2024-25:**

The Government's fiscal policy stance has been to make the domestic economy more resilient to exogenous shocks and to mitigate the risks of global economic downturn without compromising on the overall macroeconomic balances. The FY 2024-25 fiscal strategy of the government is based on the following broad intents:

- a. Directing towards more inclusive, sustainable and more resilient domestic economy to absorb the unanticipated shocks, if any;

- b. Channelizing and allocating increased resources towards capital spending to sustain infrastructure development momentum;
- c. Continuing the holistic approach of fiscal federalism towards enhancing the public infrastructure by supporting efforts of the States for capital spending;
- d. Focus on integrated and coordinated planning and implementation of infrastructure projects in the country, embracing the principles of PM Gati Shakti;
- e. Prioritization of expenditure towards the key developmental sectors viz., drinking water, housing, sanitation, green energy, health, education, agriculture, rural development etc. for long run sustainable and inclusive betterment of the citizens;
- f. Enhancing the effectiveness of cash management through just-in-time release of resources by using SNA/TSA system etc.



(Source - <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2001124>)

## INDUSTRY SCENARIO- CHEMICAL 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.

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.

### Advantage India

#### 1. Growing demand

- Rise in demand from end-user industries such as food processing, personal care and home care is driving the development of different segments in India's specialty chemicals market.
- India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP.
- According to a McKinsey report, Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040.

#### 2. Increasing investments and spending

- FDI inflows in the chemicals sector (other than fertilizers) reached US\$ 22.07 billion between April 2000-December 2023.
- Prime Minister, Mr. Narendra Modi, laid the foundation stone of development projects worth more than ₹ 50,700 crore (US\$ 6.11 billion) on September 14, 2023.
- An investment of ₹ 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025.
- The "Power and Renewable Energy Manufacturing Zone, Narmadapuram," whose construction is anticipated to cost about ₹ 460 crore (US\$ 55.5 million), would contribute to the economic growth and employment generation of the area.

#### 3. Opportunities

- India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.
- The Dahej PCPIR project in Bharuch, comprising 180 existing and 650 under construction industrial units has attracted an investment of ₹ 1 lakh crore (~US\$ 12 billion) and is expected to generate 32,000 jobs.
- 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.

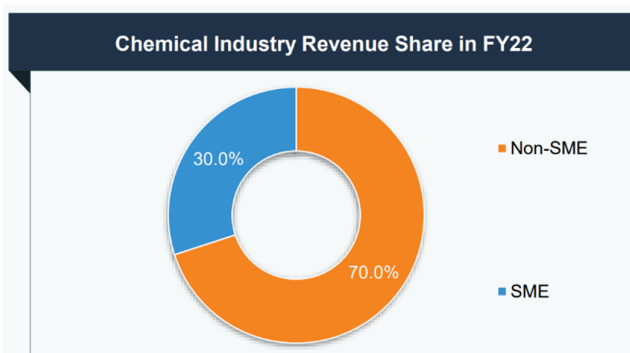
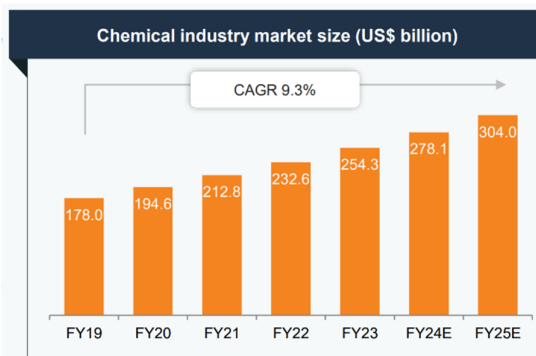


4. Policy support

- Under the Interim Budget 2024-25 the government allocated ₹ 192.21 crore (US\$ 23.13 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 ₹ 1,629 crore (US\$ 213.81 million).
- Government to open 25,000 Jan Aushadhi Kendras to make medicines available at affordable prices.

Chemicals market in India

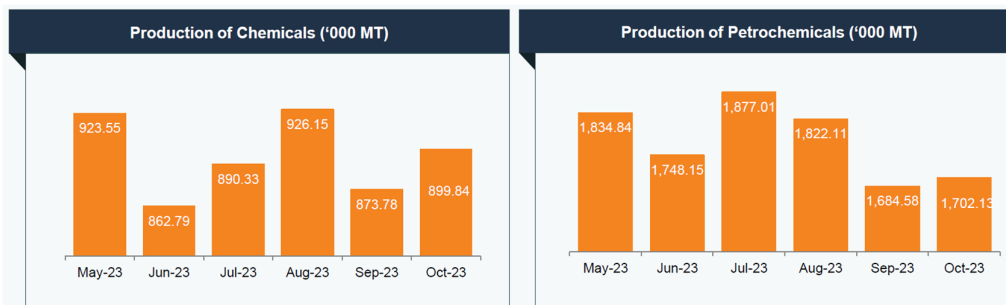
- Chemicals industry in India covers >80,000 commercial products.
- India accounts for 2.5% of the world’s global chemical sales, exporting to more than 175 countries.
- India is the 6<sup>th</sup> largest producer of chemicals in the world and 3<sup>rd</sup> in Asia, contributing 7% to India’s GDP.
- The industry is expected to reach US\$ 304 billion by 2025 at a CAGR of 9.3%, driven by rising demand in the end-user segments for specialty chemicals and petrochemicals segment.
- Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040.
- During April-December 2023, India's dye exports (Dyes and Dye Intermediates) totaled US\$ 1.69 billion.
- Specialty chemical companies are seeking import substitutions while exploring export opportunities to accelerate their business.
- India is the third largest polymer consumer in the world and is expected to consume 60 million tonnes by 2040.
- Gross bank credit for Chemicals and Chemical products grew by 4.2% in December 2023 as compared to the previous month.
- The agrochemicals market in India is expected to register an 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026.
- Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.



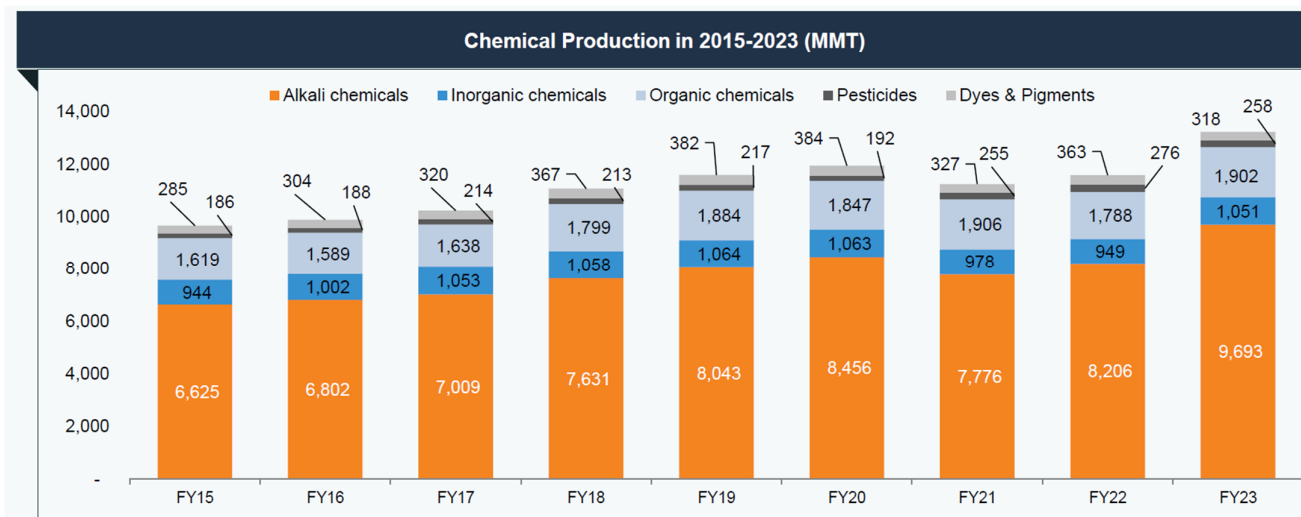
Chemical's market is split into five key segments

Bulk chemicals	Petrochemicals & polymers	Fertilisers	Specialty chemicals	Agrochemicals
<p>These are groups of chemicals, which are manufactured on a large scale and further divided into organic, inorganic and alkali chemicals</p>	<p>These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas</p>	<p>These provide nutrients for plant growth; are divided into organic/inorganic and natural/synthetic. Further, these can be broadly classified into phosphate, potassium and nitrogenous</p>	<p>These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include high-value, high R&amp;D and low volume</p>	<p>These chemicals are used to protect crops against insects and pests and include fungicides, herbicides, and insecticides, among others. These chemicals can be applied in water irrigation, seeds, soils and crops</p>

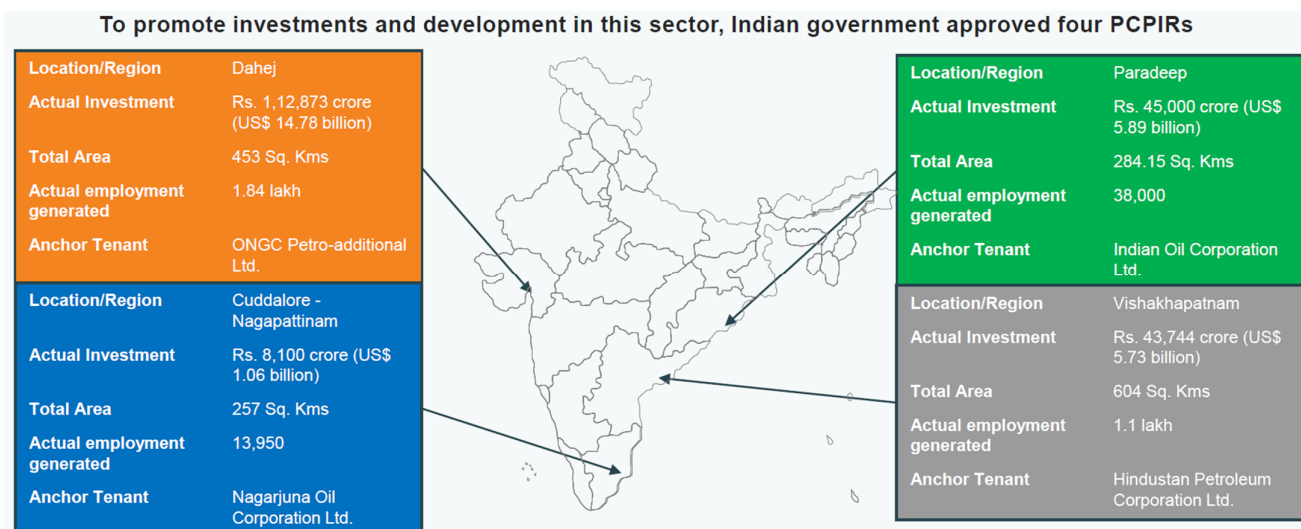
**Chemical sector production capacity**



**Chemical trends in India**



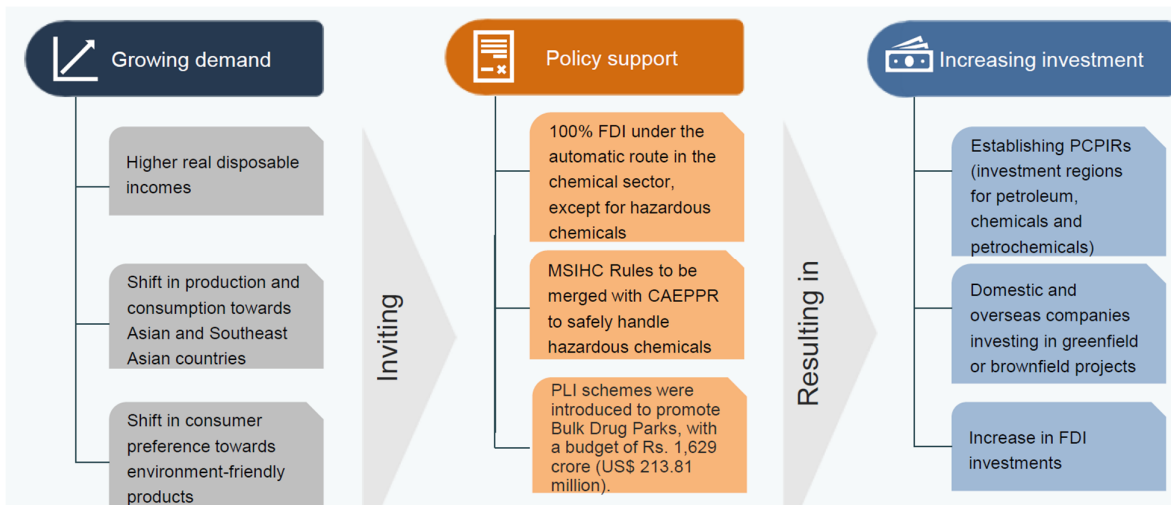
**Petroleum, chemicals and petrochemicals investment region (PCPIR)**



- PCPIR in Dahej, Gujarat attracted more investments compared with the other three cities-wherein various Indian and multinational companies such as ONGC, GACL, OPAL, BASF and LANXESS have opened facilities. The Gujarat Infrastructure Development Corporation (GIDC) has made an investment of around ₹ 17,317 crore (US\$ 2.09 billion) for infrastructure development in the PCPIR.

- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, it has been targeted to attract a combined investment of US\$ 142 billion (₹ 10 lakh crore) by the year 2025, ₹ 15 lakh crore (US\$ 213 billion) by 2030 and ₹ 20 lakh crore (US\$ 284 billion) by 2035 in all the PCPIRs across the country.
- The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons were employed in direct and indirect activities related to PCPIRs by the end of 2020.

**Strong demand and policy support driving investments**



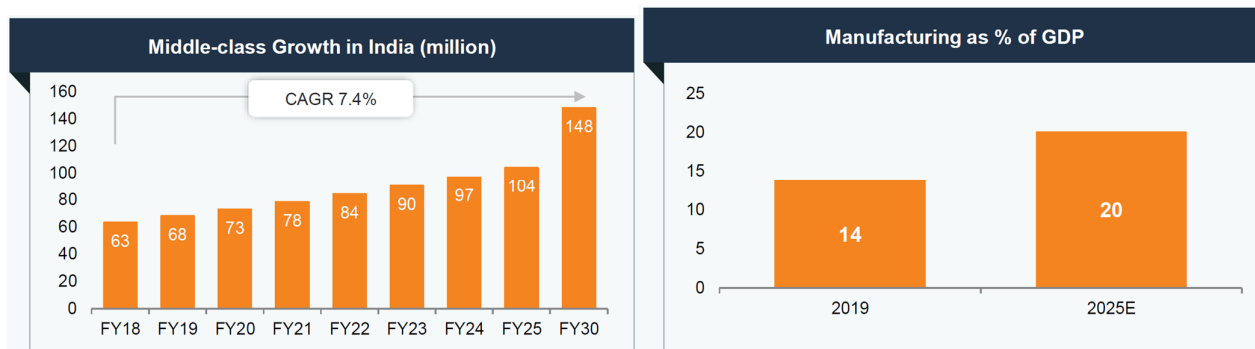
**Key growth drivers**

*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 urbanisation 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.



*Foreign Investment*

Presence of prominent global players, such as BASF, Dow Chemicals, Bayer and others, 100% FDI in the chemicals sector and stringent laws on anti-dumping to drive the Indian chemical market.

*Growing End Use Industries*

Demand from packaging, construction, automotive and other industries to drive the Indian chemical market.

*Emerging Manufacturing Hubs*

The dedicated integrated manufacturing hubs under Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of ₹ 20 lakh crore (US\$ 276.46 billion) by 2035

## Recent developments and investments by key players

### *Rise in production*

- In Bina, Madhya Pradesh, the Prime Minister, Mr. Narendra Modi, laid the foundation stone of development projects worth more than ₹ 50,700 crore (US\$ 6.11 billion) on September 14, 2023. The refineries will produce about 1,200 Kilo-Tonnes Per Annum (KTPA) of ethylene and propylene, vital components for various sectors like textiles, packaging, and pharma, among others.
- In July 2022, NTPC Renewable Energy Limited (NTPC REL) and Gujarat Alkalies and Chemicals Limited (GACL) signed an MoU to participate in the establishment of India's first commercial-scale Green Ammonia and Green Methanol plants.
- From August 2021-August 2022, India sold 3.27 crore bottles of nano urea and planned to produce 6.0 crore bottles of nano urea by the end of FY22-23.

### *Self-reliant in fertilisers*

- In 2023, India became self-reliant in fertiliser production and reduce import dependency, by establishing new units covering an investment of ₹400 billion. At present, Indian fertiliser production stands at 42-45 million tonnes and imports at 18 million tonnes.

### *Public-private partnership (PPP) model*

- In March 2023, Chennai awaits more bio-CNG plants to enable switch to clean energy.
- The Department of Atomic Energy (DAE) is constructing India's first research reactor on a public-private partnership (PPP) model.

### *Skills and technical support*

- In August 2023, the Prime Minister announced a subsidy of US\$ 120.93 billion (₹ 10 lakh crore) for providing cheaper Urea to farmers.
- Central Institute of Petrochemicals Engineering & Technology (CIPET), under the Ministry of Chemicals and Fertilisers, will establish two new 'Centres for Skilling and Technical Support' (CSTS) at Bhagalpur, Bihar and Varanasi, Uttar Pradesh. This will act as a catalyst for development and growth of new and existing industries in the region.
- In June 2021, the Rubber Skill Development Council (RSDC) announced that it is expanding its vertical to cover the chemicals and petrochemicals sectors and will be now known by the name Rubber, Chemical, Petrochemical Skill Development Council (RCPSDC). The council will implement skill training programmes in chemicals and petrochemicals verticals for the youth across country.

### *Favourable 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.
- In April 2023, Cabinet approved the National Medical Devices Policy, 2023.
- 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) were 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.

### *Specialty chemicals – international demand to drive growth*

- 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
- The Indian chemical industry is expected to further grow with a CAGR of 11-12% by 2027, increasing India's share in the global specialty chemicals market to 4% from 3%.
- As per a report of EY, the industry is currently estimated to be worth US\$ 220 billion, with growth of almost 9% per year between 2020 and 2025 to reach US\$ 300 billion by the fiscal year 2025. By FY 2040, the industry is predicted to reach US\$ 1 trillion in value.

*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.

### **Road Ahead**

Despite the pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and the trade conflict between the US, Europe and China. Anti-pollution measures in China will also create opportunities for the Indian chemical industry in specific segments.

Additional support, in terms of fiscal incentives, such as tax breaks and special incentives through PCPIRs or SEZs to encourage downstream units will enhance production and development of the industry. The dedicated integrated manufacturing hubs under the Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIR) policy to attract an investment of ₹ 20 lakh crore (US\$ 276.46 billion) by 2035.

To bring about structural changes in the working of the domestic chemical industry, future investments should not only focus on the transportation of fuels such as petrol and diesel but also on crude-to-chemicals complexes or refineries set up to cater to the production of chemicals.

(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 “Company” or “we”, “us” or “our” means Unilex Colours and Chemicals Limited.*

*All financial information included herein is based on our “Financial information of the Company” included on page 137 of this Draft Red Herring Prospectus.*

### **BUSINESS OVERVIEW**

Our company is engaged in the business of manufacturing of Pigment, and the trading of chemicals and food colours. The pigments manufactured by us find diverse applications across various industries such as plastic, rubber, textiles, paper, printing inks, paints and coating.

Within Pigments, we specialize in Pigment Blue 15:3 and 15:4, with an annual production capacity of 1878 mtpa. Our products are marketed under the registered brand name “Unilex.” We cater to both domestic and international markets, providing a wide range of pigment solutions for various industries. Our manufacturing facility is situated at MIDC – Tarapur, Palghar, Maharashtra is spread across approximately 1275 sq. meter and is equipped with various machines such as Ball Mill Machine, Root Blower, Silo, Reaction Steel Vessel, Brick Lined Vessel, Rubber Lined Vessel, Drowning Vessel, Spin Flash Dryer, Ribbon Blender, Air Classifier Mill Machine, Air Blender, Filter Press Machine etc. Our products are manufactured from raw materials such as BM CPC, Caustic Soda Flakes, Gum Rosin, Hydrochloric Acid, Mix Xylene, Additive Monosulphonaed CPC Blue and Unisol SI-20 etc. Our products undergo through examination, testing and evaluation to ensure compliance with specified requirements. Our manufacturing facility holds ISO 9001:2015 certification for quality management in the manufacturing of pigments, food dyes, and drug intermediates.

Furthermore, we have been recognized as a Three Star Export House by the Ministry of Commerce, Government of India. To ensure global product compliance (Europe) AB Sweden, we have received a Certificate of REACH Registration, issued under the REACH Regulation (Registration, Evaluation, Authorisation, and Restriction of Chemicals), a regulation of the European Union (EU). Our laboratories allow for thorough experimentation, analysis and optimization of processes, as well as testing and refinement of product applications. Our dedicated engineers constantly keeps abreast of the latest technology and trends as industry requirements. Our revenue from manufacturing business for fiscal 2024, fiscal 2023 and fiscal 2022 were ₹ 6,652.17 lakhs, ₹7,455.21 lakhs and ₹ 8,487.51 lakhs which contributed 46.24 %, 53.48 %, and 58.42% of revenue from operations effectively.

Our product portfolio includes wide range of pigments including Pigment Green -7, Pigment middle chrome, Pigment Violet 23 & 27 and Ultramarine Blue, which are sourced from various third - party manufacturers, to meet the specific requirement of our clients. While we produce and sell a comprehensive range of pigments, we recognize that some of our customers have needs that extend beyond our in-house offerings. To address these needs and ensure complete customer satisfaction, we source wide range of pigments from other manufacturers. This approach allows us to provide a broad spectrum of high-quality pigments, ensuring that we can fully cater to the unique and varied demands of our clientele.

We are exporting our products to countries including Vietnam, Brazil, Mexico, Nigeria, Russia, Turkey, Netherlands, Poland, China, Spain, Malaysia, Thailand, United Arab Emirates and Uzbekistan. We market our products through direct marketing, which allow us to connect with potential customers on a personal level and tailor our messaging to their specific needs. Further, we also participate in exhibitions and conferences, providing us to showcase our products.

We provide flexible packing options such as Multi-Layer Paper Bags, Corrugated Boxes, HDPE and HDPE Coated Bags, Multi-Layer Abetted Liners and HM Covers, Wooden Pallets and Jumbo Bags among others.

We are led by our Promoters, who have significant experience in the Pigment & Dyes industry. Our Promoters include Purushottam Brijlal Sharma, Chairman & Whole-time Director; Aditya Sharma, Managing Director; Narendra Parameswarappa Kothhall, Whole-time Director; and Manojkumar Shyamsunder Sharma, Executive Director, all of whom have more than 30 years of experience in the Pigment and Dyes industry. Kabir Radheyshyam Sharma and Rohit Krishnakumar Sharma, both Executive Directors, have 9 years of experience each. The extensive experience of our Promoters has been instrumental in shaping the vision and growth strategies of our company. We believe that our ability to market our products effectively is a result of adhering to the vision set by our Promoters and senior management, combined with their expertise and knowledge of the industry. On April 15, 2023, we received a Certificate of Merit from Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL), recognizing our outstanding performance in the Basic Chemical, Organic & Inorganic Chemical, including Agro Chemicals panel.

## Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	14,385.01	13,939.03	14,527.46
EBITDA <sup>(2)</sup>	430.57	274.01	100.34
EBITDA Margin <sup>(3)</sup>	2.99%	1.97%	0.69%
PAT <sup>(4)</sup>	616.67	497.07	471.17
PAT Margin <sup>(5)</sup>	4.29%	3.57%	3.24%
RoE(%) <sup>(6)</sup>	17.93%	16.54%	17.98%

## 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

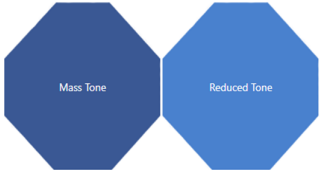
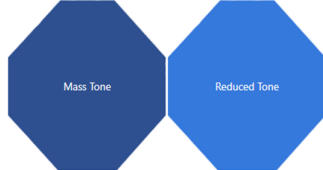
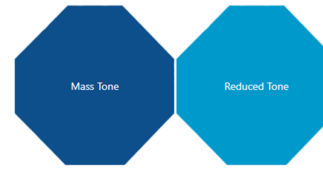
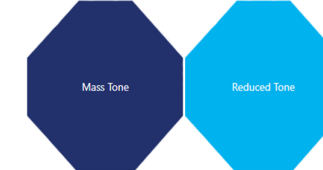

<sup>(4)</sup> PAT is calculated as Profit before tax – Tax Expenses

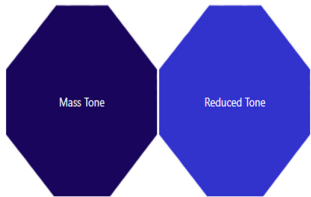
<sup>(5)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

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

## OUR PRODUCTS

As of March 31, 2024, our product portfolio comprises of more than 100 products. Details of the top 6 major products of our company that contribute to our revenue are tabulated below: -

Product Name	Image	Description	Application
Blue 15:0		Pigment Blue 15:0, also known as Phthalocyanine Blue BN, is a synthetic blue pigment with a vibrant, intense color. It belongs to the phthalocyanine family of pigments, which are known for their stability and excellent coloring properties.	Paint, Ink, Plastic and Textile.
Blue 15:1		Pigment Blue 15:1 is a variant of the phthalocyanine blue family, known for its brilliant blue hue and robust physical properties. It is chemically similar to other phthalocyanine pigments but is distinguished by specific crystalline modifications, which affect its color and dispersion properties.	Paint, Plastic and Ink.
Blue 15:3		Pigment Blue 15:3 is a member of the phthalocyanine blue family, recognized for its vibrant, deep blue hue and superior stability. It is a synthetic pigment that is widely used in various applications due to its excellent lightfastness and dispersion properties. This pigment is a specific polymorph of copper phthalocyanine, known for its unique crystalline structure that affects its color and performance characteristics.	Paint, Plastic and Ink
Blue 15:4		Pigment Blue 15:4, another variant of the phthalocyanine blue family, is known for its strong, vibrant blue color and outstanding stability. This synthetic pigment is particularly valued for its excellent lightfastness, heat stability, and dispersion properties, making it a popular choice across a wide range of industries. It is a specific polymorph of copper phthalocyanine, recognized for its unique crystalline structure that imparts specific performance characteristics.	Ink
Green 7		Pigment Green 7, also known as Phthalocyanine Green G is a vibrant, bright green pigment widely used across various industries. It is a synthetic organic pigment derived from the phthalocyanine family, characterized by its excellent color properties, stability, and versatility.	Paint, Plastic and Ink

Product Name	Image	Description	Application
Violet 27		Pigment Violet 27, also known by its Colour Index (C.I.) number 42535, is a synthetic organic pigment recognized for its deep, intense violet hue. This pigment is part of the anthraquinone class, known for their vibrant coolers and excellent fastness properties. It is utilized in a variety of applications due to its strong color strength and stability.	Ink

Below is the summary of revenue from our top-five products over last three years:

Particulars	FY 2023-24	% to Total Sales	FY 2022-23	% to Total Sales	FY 2021-22	% to Total Sales
Pigment Blue 15:3	3,717.83	25.85%	4,378.93	31.41%	5,704.47	39.27%
Pigment Green 7	2,735.43	19.02%	3,063.31	21.98%	3,158.00	21.74%
Pigment Blue 15:4	1,790.12	12.44%	1,892.14	13.57%	1,175.55	8.09%
Pigment Blue 15:0	590.98	4.11%	573.73	4.12%	979.37	6.74%
Pigment Blue 15:1	536.37	3.73%	589.70	4.23%	595.18	4.10%
<b>TOTAL</b>	<b>9,370.73</b>	<b>65.15%</b>	<b>10,497.81</b>	<b>75.31%</b>	<b>11,612.57</b>	<b>79.94%</b>

## OUR COMPETITIVE STRENGTHS

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

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 Plastics, Rubber, Textiles, Paper, Printing Inks, Paints & Coatings and in Other Industrial Applications and are spread across various geographies, which helps us mitigate risks resulting from customer, industry and geographic concentration.

For the Fiscal 2024, 2023 and 2022, our top 10 customers contributed approximately 34.09%, 31.59% and 36.66% 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 Fiscal 2024, Fiscal 2023 and Fiscal 2022, we derived, 79.44%, 88.39% and 88.39% of our revenue from operations from foreign countries and 20.56%, 11.61% and 11.61% of our revenue from operations from India. The following table sets forth the bifurcation of revenue (Geographical - wise) for the Fiscal 2024,2023 and 2022.



*This map is for representational purpose only and is not intended to reflect the political map of world.*

(₹ In Lakhs)

Revenue from Operations	FY 2023-24	% of revenue from operations	FY 2022-23	% of revenue from operations	FY 2021-22	% of revenue from operations
India	2,957.64	20.56%	1,618.87	11.61%	1,686.21	11.61%
Vietnam	2,430.21	16.89%	1,543.44	11.07%	1,531.02	10.54%
U.A.E.	1,215.15	8.45%	313.77	2.25%	164.99	1.14%
Nigeria	994.73	6.92%	1,057.23	7.58%	1,067.69	7.35%
Poland	945.93	6.58%	726.21	5.21%	281.08	1.93%
Brazil	610.62	4.24%	1,085.36	7.79%	281.82	1.94%
USA	522.39	3.63%	133.75	0.96%	243.17	1.67%



Revenue from Operations	FY 2023-24	% of revenue from operations	FY 2022-23	% of revenue from operations	FY 2021-22	% of revenue from operations
Netherlands	483.85	3.36%	835.33	5.99%	502.03	3.46%
Russia	431.00	3.00%	982.91	7.05%	390.29	2.69%
Spain	393.15	2.73%	455.98	3.27%	583.32	4.02%
Others	3,400.34	23.64%	5,186.18	37.22%	7,795.84	53.65%
<b>Total</b>	<b>14,385.01</b>	<b>100.00%</b>	<b>13,939.03</b>	<b>100.00%</b>	<b>14,527.46</b>	<b>100.00%</b>

Our delivery of quality products ensures strong customer engagement. Potential customers invest considerable time approving us as suppliers to ensure we meet their quality controls and requirements across various jurisdictions and regulators. The resources involved in engaging new suppliers make customers more inclined to maintain their partnership with us.

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.

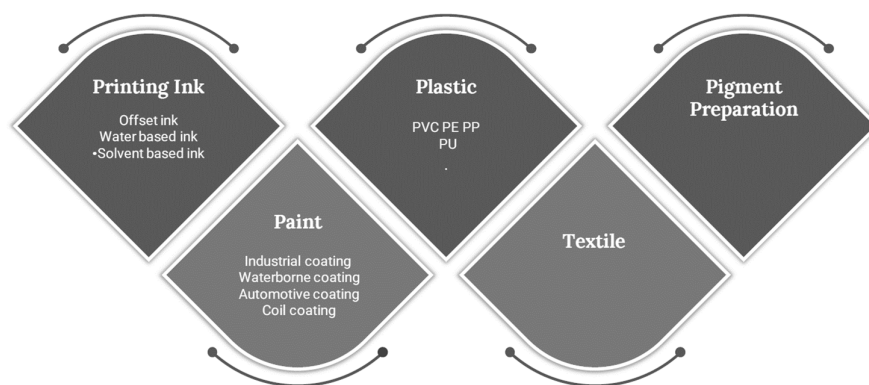
*We offer a diversified range of products*

Our range of products combines in-house manufacturing capabilities and sourced items from the market. This dual approach allows us to provide a comprehensive solution that meets varied customer needs and preferences. By manufacturing certain products in-house such as Pigment Blue 15:3 and 15:4, we maintain control over quality and production timelines, ensuring we consistently deliver high standards and cater to specific requirements of our clientele. Simultaneously, sourcing products from the market allows us to expand our product range swiftly, leveraging external expertise and specialized manufacturing capabilities that complement our own. This strategy enables us to offer a wider array of choices, covering different styles, functionalities, and price points. Our ability to blend in-house manufacturing with sourced products enhances our product diversity and strengthens our competitive edge by ensuring flexibility, innovation, and responsiveness to market demands. This strategic approach positions us well to meet the evolving needs of our customers.

*Catering to wide range of industries*

Our company enjoys a wide product range with diverse applications across various industries such as paints & coatings, plastic, printing inks and textiles. We possess manufacturing facility with the ability to address customization as per customer requirements. Our diversification of revenue across multiple verticals allow us to prevent any possible industry concentration in any of our product categories. It also ensures that our revenues are consistent across periods on account of our customers serving different industry verticals with different business or industry cycles.

The following are the key areas where our products are widely utilized in: -



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

(₹ In Lakhs)

Industry Segment	Fiscal 2024	%	Fiscal 2023	%	Fiscal 2022	%
Paints & Coating	3,696.58	25.70%	2,198.36	15.77%	2,794.28	19.23%
Plastic	1,596.84	11.10%	1,715.48	12.31%	2,664.88	18.34%
Printing Inks	6,092.55	42.35%	6,224.02	44.65%	5,835.53	40.17%
Textiles	1,065.55	7.41%	1,293.83	9.28%	1,340.31	9.23%
Others	1,933.50	13.44%	2,507.33	17.99%	1,892.46	13.03%
<b>Total</b>	<b>14,385.01</b>	<b>100%</b>	<b>13,939.03</b>	<b>100%</b>	<b>14,527.46</b>	<b>100%</b>

***Experienced Promoters and Directors with strong management team having domain knowledge***

We have a qualified and professional management team with significant experience in all operational aspects of our business. We believe that the industry experience of our management team and their ability to deliver consistent sales growth are our significant strengths. Our management comprises of professionals who have the requisite academic background and relevant industry experience. . Our Promoters include Purushottam Brijlal Sharma, Chairman & Whole-time Director; Aditya Sharma, Managing Director; Narendra Parameswarappa Kotehall, Whole-time Director; and Manojkumar Shyamsunder Sharma, Executive Director, all of whom have more than 30 years of experience in the Pigment and Dyes industry. Kabir Radheyshyam Sharma and Rohit Krishnakumar Sharma, both Executive Directors, have 9 years of experience each. Our promoters have been actively involved in the day-to-day management of our Company. We are also supported enormously by our technical and commercial team having relevant industry experience which helps us to achieve the organizational goals. We believe that our management team's experience and their understanding of both the industries will enable us to continue to take advantage of the current and future market opportunities.

**OUR BUSINESS STRATEGIES**

***Enhancing branding, promotional and marketing activities***

Our extensive presence and operational scale allow us to focus on marketing and promotional activities to enhance our visibility in the pigment & chemical industry. We strive to boost brand awareness and customer loyalty through these efforts, significantly expanding our market base for colors and chemical products. Our vast network enables us to reach and engage with a global audience, making our products accessible to prospective customers worldwide. Our marketing initiatives include showcasing our products at various events and physical displays.

Additionally, we plan to continue our efforts by participating in international conferences for pigments and dyes, as well as regional and state Expos and Exhibitions. These activities provide valuable platforms for exhibiting and promoting our products.

***Deepen and expand our geographical presence***

We intend to cater to the increasing demand of our existing customers and also to develop new customer base by supplying our products worldwide. We propose to enter into new geographies and expand our marketing and sales team which can focus on different regions and also maintain existing customer relationship. In the last 3 financial years, we have been successful in exporting our products to many clients across the globe such as Vietnam, Brazil, Mexico, Nigeria, Russia, Turkey, Netherlands, Poland, China, Spain, Malaysia, Thailand, United Arab Emirates and Uzbekistan. We believe that there are some untapped markets with huge demand and business potential that are yet to be explored by us such as United States of America, Mexico, Peru, Columbia, Japan, Argentina and Canada.

***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 consistent solutions.

***Continue to strengthen our relationships with the customers***

We have over the years established long-term relationships with our customers leading to recurrent business engagements with them. Some of our customers have been with us for the last 5 fiscals. We enjoy relationships in excess of 5 fiscal years. 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, diversified product portfolio.

***Focus on consistently meeting customer specification's & quality standards***

Our Company intends to focus on adhering to the customers' specifications and quality standards of the components. Continuous review of products at different stages to identify any deviations from the specifications and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired customer specifications and good quality products help us in enhancing customer trust and maintaining long term relationships with customers. Also, continuously meeting the customer specifications and quality standards is essential to obtain repeat orders.

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

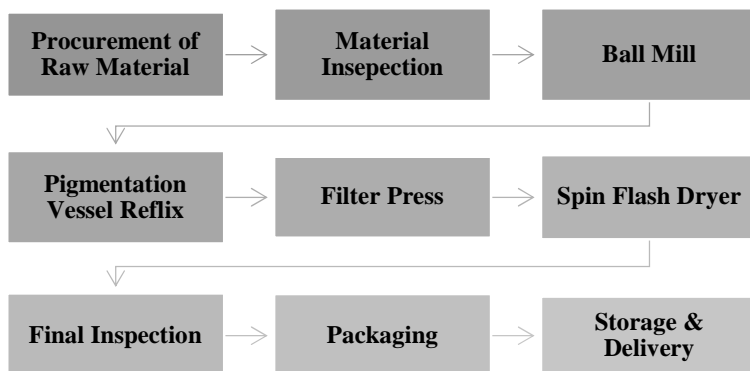
**(₹ In Lakhs)**

Sr. No.	Particulars	FY23-24	FY22-23	FY21-22
1.	Revenue from Manufacturing Operations	6,652.17	7,455.21	8,487.51
2.	Revenue from Trading Operations	7,732.85	6,483.82	6,039.95
	<b>Total</b>	<b>14,385.01</b>	<b>13,939.03</b>	<b>14,527.46</b>

## OUR MANUFACTURING PROCESS

There are different stages that are involved in our manufacturing process, each stage is crucial and of utmost importance for the product to have its required quality and standard. We ensure quality control check at each of the manufacturing stages.

Our manufacturing process consists of the following stage:



### Manufacturing process steps

#### **Step-1: Procurement of Raw Material**

We intend to maintain sufficient level of inventory to meet our customer demands and requirements. To achieve this, we plan and forecast our productions and accordingly the order of raw material is placed. Our production team and sales team are in constant touch which helps us to order optimal level of raw material. Further, our technical team ensures that the raw materials we procure are meeting the quality standards. Once the raw materials are procured from local suppliers, it is stored in our manufacturing facility having adequate storage capacity.

#### **Step-2: Material Inspection**

All materials procured or manufactured at our site are properly tested for its purity and only after the approval of the purity, the same are used for further process.

#### **Step-3: Ball Mill**

This process involves grinding the raw CPC (Copper Phthalocyanine Crude) material for 24 hours in a cylindrical mill equipped with grinding media, such as steel or ceramic balls. During this time, the rotation of the mill causes repeated impact and attrition, breaking down the larger CPC particles into much finer particles.

#### **Step-4: Pigmentation Vessel Reflux**

The milled Copper Phthalocyanine Crude (CPC) is transferred into a pigmentation vessel along with other raw materials such as caustic soda, surfactants, and solvents. This mixture is then refluxed, or continuously boiled and condensed, for 24 hours. The reflux process ensures thorough mixing and reaction of the components, facilitating the formation of the pigment. After the refluxing period, the solvent is recovered and the resulting pigment mixture is prepared for the next stage i.e. Filter press.

#### **Step-5: Filter Press**

In this process, the pigmented mass from the pigmentation vessel is subjected to filtration. The mixture is passed through a filter press, which separates the solid pigment particles from the liquid components. During this process, the pigmented mass is thoroughly washed with water and air pressure to remove impurities and residual chemicals, ensuring that the material reaches a neutral pH. This washing and pressing process produces a concentrated pigment in the form of a press cake.

#### **Step-6: Spin Flash Dryer**

In the final production stage of Pigment Blue manufacturing, the press cake obtained from the filter press is processed through a spin flash dryer. This dryer is designed to efficiently and quickly dry the press cake into a fine, dry pigment powder suitable for commercial use.

#### **Step-7: Final Inspection**

The inspection team of the quality management department collects samples from all manufactured items by lot to compare with the standard samples through the Ultraviolet spectrophotometer, Desiccator, Hot plate, Hot air oven and automatic pigment muller, and thereby in case their colouring, penetration, fastness, etc. fall within the minimum allowable limits of error, the manufactured items shall be allowed to be packed as final products.

**Step-8: Packaging**

Once the product meets all the required quality criteria, it is packed into bags, jumbo bags, boxes, drums, etc., based on customer specifications. Packaging is meticulously carried out to ensure product safety and minimize environmental leakage. The dried pigment powder undergoes palletizing and shrink-wrapping before being readied for shipment, beginning with careful transfer onto pallets and organized stacking.

**Step-9: Storage & Delivery**

After proper packaging as per the customer’s order, they are either directly loaded into trucks for shipment or they are stored in the warehouse inside the premises itself. Necessary care is taken to avoid any contamination of the product. Exports orders are made through, Jawaharlal Nehru Port (JNPT), Mumbai, Air Cargo Complex, Sahar, Andheri (East) as per the final location of the customers.

**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. During the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our purchases of raw material amounted to ₹ 3,168.57 lakhs, ₹ 4,388.17 lakhs and ₹ 3896.48 lakhs respectively. Our raw materials include Additive Monosulphonated CPC Blue, Additive UC-2, BM CPC, CPC Blue, Unisol SL 23 and Gum rosin 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.

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

**Collaborations/ Tie Ups/ Joint Ventures** - Our company has so far not entered into any technical or financial collaboration agreement with the third party.

**Capacity and Capacity Utilization** - Below are the details of the installed and the utilized capacity of our company:

Particulars	2023-24 (mtpa)	2022-23 (mtpa)	2021-22 (mtpa)	Existing installed capacity (p.a.)
Installed Capacity (Production Beta Blue)	1977.60	1977.60	1977.60	1977.60
Actual Production	1878.00	1680.00	1581.00	
Capacity Utilization (in %)	95%	85%	80%	

*\*The information related to the installed capacity is based on the certificate received from A.D. Joshi, Chartered Engineers & Valuors LLP vide their certificate dated June 13,2024.*

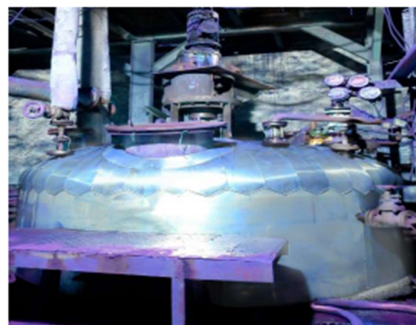
**Plant & Machinery**

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

Ball Mill Machine, Root Blower, Silo, Reaction Steel Vessel, Brick Linned Vessel, Rubber Linned Vessel, Drowning Vessel, Spin Flash Dryer, Ribbon Blender, Air Classifier Mill Machine, Air Blender, Filter Press Machine, Air Compressor, Steam Boiler, Thermopac, Cooling G Tower, Fire Hydrant, reverse osmosis/ultra -filtration membranes, Effluent Treatment Plant and HCL Scrubber etc.



**Ball Mill**



**Reaction Steel Vessel**



**Filter Press**



**Spin Flash Dryer**

**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.

Our sales and marketing division is headed by Kabir Radheyshyam Sharma (Executive Director), who leads our team responsible for business development and customer relationship development. As on March 31, 2024, our sales and marketing comprised of 9 sales employees who provide our customers with access to maintenance services and respond to customer grievances.



**Saudi Arabia Coating Show 2023**



**China Coating show 2023**

**Corporate Social Responsibility**

Our Company has adopted a CSR policy in compliance with the requirements of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. Our Company contributed ₹13.51 lakhs to Rohini Educational Society towards promotion of education during Fiscal 2024 and had contributed ₹ 11.01 lakhs to Omkar Andh Apang Samajik Sanstha towards promotion of education during Fiscal 2023.

**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: Kesar Petroproducts Limited and Sudarshan Chemical Industries Limited.

**Human Resource:**


We believe that our employees are key contributors to our business success. Our senior management team consists of experienced individuals with diverse skills in manufacturing, engineering, sales & marketing, administration, and finance. In addition to the contract labour engaged by us, as on March 31, 2024, we have following staff on payroll basis:

Department	No. of Employees
Production	16
Sales & Marketing	9
Administration	9

Department	No. of Employees
Finance & Accounts	9
Quality Control	6
Maintenance	2
Procurement	1
Stores	1
Human Resource	1
<b>Total</b>	<b>54</b>

### Intellectual Property

As on the date of Draft Red Herring Prospectus, we have registered below trademark in our company: -

Sr No.	Name Applied	Trademark Type	Application Date	Application No./ Certificate No.	Class	Present Status
1.		Device	March 11, 2020	4469283; 2619173	2	Registered

For further details, please refer to sections titled “*Government and Other Statutory Approvals*” beginning on page 183 of this Draft Red Herring Prospectus.

### Insurance

Our operations are subject to risks inherent in our operations, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events that may cause injury or loss of life, severe damage to or destructions of properties, equipment and environmental damage. Our insurance policies include Oriental Bharat Laghu Udyam Suraksha Policy, Marine Open Export Declaration Policy, Burglary First Loss Policy, Digit Commercial Vehicle Package Policy, Auto Secure - Private Car Package Policy and all general policies which are pertinent to our business operations.

### IMMOVABLE PROPERTIES

The following are the details of the material properties owned/ leased/ rented by the company

Sr. No.	Usage	Address	Owned / Leased / Rented
1.	Registered Office	106, Advent Atria, Chincholi Bunder Road, Malad (E), Mumbai-400064, Maharashtra	The said property has been obtained on rent from Chemi Udyog vide Rent agreement dated June 01, 2024 for a period of 11 months effective from June 01, 2024 at a monthly rent of ₹5,000/-
		107 Advent Atria, Chincholi Bunder Road, Malad (E), Mumbai-400064, Maharashtra	The said property has been obtained on lease from Chemi Udyog vide Leave and License agreement dated May 15, 2024 for a period of 5 years effective from April 01, 2024 at a monthly rent of ₹50,000/-
2.	Manufacturing unit	E-10/2, M.I.D.C. Tarapur, Boisar, Dist. Palghar-401506, Maharashtra	Owned
3.	Commercial Land*	Plot No. D-II-CH-151-1-4, G.I.D.C. Dahej-II, Industrial Estate, Bharuch-392130 Gujarat	The said property has been obtained on lease from Gujarat Industrial Development Corporation vide Lease deed dated April 01, 2021 for a period of 99 years.

\*We have entered into Deed of Assignment dated May 04, 2024 with M/s Hindustan Ecolife Projects Private Limited for the sale of the land for a consideration of ₹ 574.75 lakhs. As of the date of DRHP, we have received an initial consideration of ₹25 lakhs on April 15,2024 and ₹ 200 lakhs on May 10,2024.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*Except as otherwise specified in this Draft Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of manufacturing of equipments and machinery relating to agriculture. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.*

### **APPROVALS**

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Statutory Approvals**” beginning on page 183 of this Draft Red Herring Prospectus.

### **APPLICABLE LAWS AND REGULATIONS**

#### **BUSINESS/ TRADE RELATED LAWS/ REGULATIONS**

##### **Food Safety and Standards Act, 2006**

The Food Safety and Standards Act, 2006 is a comprehensive legislation that consolidates various laws related to food safety and establishes the Food Safety and Standards Authority of India (FSSAI) to regulate the food industry. The Act aims to ensure the availability of safe and wholesome food for human consumption by laying down science-based standards for articles of food and regulating their manufacture, storage, distribution, sale, and import. Key provisions of the Act include establishing the FSSAI as the central authority for food safety and standards, defining food safety as the assurance that food is acceptable for human consumption according to its intended use, laying down standards and guidelines for articles of food, regulating the manufacture, storage, distribution, sale, and import of food articles, providing for the accreditation of certification bodies and laboratories, and the procedure for sampling and analysis of food, establishing the Food Safety Appellate Tribunal for adjudication of food safety cases, prohibiting and restricting the sale or approval of non-specified food and food ingredients that may cause harm to human health, and regulating food advertising and providing for licensing and registration of food businesses. The Act came into force on May 28, 2008, with different provisions being enforced on different dates, and has repealed several earlier laws, including the Prevention of Food Adulteration Act, 1954, consolidating the regulatory framework for food safety. The objectives of the Act include ensuring the availability of safe and wholesome food for human consumption, establishing a single reference point for all matters relating to food safety and standards, promoting general awareness about food safety and food standards, and providing scientific advice and technical support to the Central Government and State Governments on food safety and nutrition. The Act has marked a shift from a multi-level to a single line of control, focusing on self-compliance rather than a pure regulatory regime, leading to the establishment of a comprehensive regulatory framework for food safety and the development of standards for food products, safe food practices, and the training and capacity building of food businesses.

##### **Prevention of Food Adulteration Act, 1954**

The Prevention of Food Adulteration Act, 1954 is a significant legislation in India aimed at preventing the adulteration of food items to ensure the safety and quality of food consumed by the public. Enacted on September 29, 1954, this Act defines adulteration and outlines various scenarios where an article of food can be deemed adulterated. It covers instances where food sold does not meet the standards expected by the consumer, contains harmful substances, is processed under unhygienic conditions, or includes elements unfit for human consumption like diseased animal parts or poisonous ingredients. The Act extends to the entire country and has been pivotal in setting standards to combat food adulteration, ensuring that food products meet specified quality and purity criteria. The Act has evolved over time through amendments in 1964, 1976, and 1986, reflecting the ongoing efforts to enhance food safety regulations in India.

##### **Drugs and Cosmetics Act, 1940**

The Drugs and Cosmetics Act, 1940, which regulates the import, manufacture, distribution, and sale of drugs and cosmetics in India, is also applicable to the food color industry. This Act covers substances intended to affect the structure or any color of food products, ensuring that they meet specified standards and do not pose risks to human health. The Act prohibits the use of colors in food products that are not prescribed, harmful, or toxic, emphasizing the importance of maintaining quality and safety in the food color industry. Compliance with the provisions of this Act is essential for businesses involved in the manufacturing and distribution of food colors to ensure adherence to regulatory standards and the protection of consumer health.



## **Bureau of Indian Standards**

The Bureau of Indian Standards (BIS) extends its applicability to the food color industry in India, where it plays a crucial role in ensuring quality and safety standards. BIS develops Indian Standards for various products, including food colors, making certification from BIS mandatory for certain food colors to be sold in the country. Manufacturers, both domestic and foreign, are required to obtain a BIS license to use the ISI mark on their food color products, with the certification process involving adherence to relevant Indian Standards, license application, and scrutiny through audits and sample testing by BIS before approval is granted. Selling food colors without the ISI mark is deemed illegal and can result in criminal charges, imprisonment, and fines, while imported food colors lacking a BIS license will face customs restrictions from July 1, 2023. This stringent certification framework ensures that food colors in the market meet specified quality and safety criteria, aligning with BIS's overarching objective of safeguarding consumer health and promoting product excellence in the food industry.

## **The Legal Metrology Act 2009**

The Legal Metrology Act, 2009 ("LMA") provides for establishing uniform standards of weights and measures regulate trade in weights, and other goods which are sold or distributed by weight, measure or number. Every manufacturer, repairer and seller shall have to obtain a license from the respective 148 Controller. The Act allows Govt. approved test centers to verify weights and measures.

## **The Legal Metrology (Packaged Commodities) Rules, 2011**

The Legal Metrology (Packaged Commodities) Rules, 2011 regulate the pre-packaging and sale of commodities in packaged form in India, requiring every package to bear declarations such as the name and address of the manufacturer/packer, the common name of the commodity, the net quantity, the month and year of manufacture/packing, and the retail sale price, while specifying standard package sizes for certain commodities and providing exemptions for specific products; the rules empower legal metrology officers to enforce the provisions and take action against non-compliance, with the requirements of the Prevention of Food Adulteration Act, 1954 taking precedence for packaged food items, in order to standardize the labeling and packaging information provided to consumers for commodities sold in pre-packaged form across India.

## **The Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH)**

The Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) Regulation is a European Union regulation that addresses the production and use of chemical substances and their potential impacts on human health and the environment. The main goals of REACH are to improve the protection of human health and the environment from the risks posed by chemicals, while enhancing the competitiveness of the EU chemicals industry. Key aspects of REACH include registration, where companies must register chemical substances manufactured or imported into the EU in quantities exceeding 1 metric ton per year, and registrations are submitted to the European Chemicals Agency (ECHA) through the IUCLID website. Evaluation involves ECHA evaluating individual registrations for compliance, and EU Member States evaluating selected substances to clarify initial concerns for human health or the environment. Authorization allows substances of very high concern to be subject to authorization to ensure risks are adequately controlled or justified by socio-economic grounds, and by March 2019, authorizations had been granted 185 times, with no eligible request ever having been rejected. Restriction enables authorities to restrict the use of hazardous substances if their risks are unmanageable, and restrictions can be introduced across the European Community where shown to be necessary. REACH places the burden of proof on companies to identify and manage risks linked to the substances they manufacture and market in the EU, and it impacts a wide range of companies across many sectors, even those not directly involved with chemicals.

## **ENVIRONMENTAL LAWS**

### **The Environment (Protection) Act, 1986 ("EPA"), Environment Protection Rules, 1986 (the "EP Rules") and the Environmental Impact Assessment Notification, 2006 ("EIA Notification")**

The EPA has been enacted for the protection and improvement of the environment. EPA empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations. Further, the EP Rules specifies, inter alia, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EPA or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

### **The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)**

The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a central pollution control board and state pollution control boards. The functions of the central board include Coordination of activities of the state boards, collecting data relating to water pollution and measures for the prevention and control of water pollution and prescription of standards for streams or wells. The state pollution control boards are responsible for planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and reviewing of the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. If the required standards and conditions are not complied with, the relevant SPCB may serve a notice on the concerned person and cause the local magistrate to pass an injunction to restrain the activities of such person and impose fines.

The Water Pollution Act prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the state pollution control board. Under section 25 of the Water Pollution Act, the state board may give its consent for the establishment of the industry subject to conditions that it may impose and for a duration that it may specify. Having given consent, it can review its consent or the conditions imposed and revoke or alter any of them. Subject to the other provisions of the legislation, the state board may issue directions for the closure, prohibition or regulation of any industry.

### **Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

Pursuant to the provisions of the Air Act, as amended, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Boards required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to six years and the payment of a fine as may be deemed appropriate. If an area is declared by the state government to be an air pollution control area, then, no industrial plant may be operated in that area without the prior consent of the State Pollution Control Board. Under the Air Act, the Central Pollution Control Board has powers, inter alia, to specify standards for quality of air, while the State Pollution Control Boards have powers, inter alia, to inspect any control equipment, industrial plant or manufacturing process, to advise the state government with respect to the suitability of any premises or location for carrying on any industry and to obtain information from any industry.

### **Environment Impact Assessment Notifications**

The Environment Impact Assessment Notification S.O.60(E), issued on January 27, 1994 (—1994 Notification) under the provisions of the Environment Act, as amended, prescribes that for the construction of certain power projects specified in the 1994 Notification, in the case of new projects, if the investment is more than `1,000 million and in the case of expansion or modernization projects, if the investment is more than `500 million the prior environmental clearance of the Ministry of Environment and Forest (MoEF) is required. The environmental clearance must be obtained from the MoEF according to the procedure specified in the 1994 Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained. The application to the MoEF is required to be accompanied by a project report which should include, inter alia, an Environmental Impact Assessment Report and an Environment Management Plan. The Impact Assessment Authority evaluates the report and plan submitted. Such assessment is required to be completed within a period of 90 days from receipt of the requisite documents from the project developer / manager. Thereafter, a public hearing has to be completed and a decision conveyed within thirty days. The clearance granted is valid for a period of five years from the commencement of the construction or operation of the project. The project developer / manager concerned are required to submit a half yearly report to the Impact Assessment Authority to enable it to effectively monitor the implementation of the recommendations and conditions subject to which the environmental clearance has been given. If no comments from the Impact Assessment Authority are received within the time limits specified above, the project will be deemed to have been approved by the project developer / manager. On September 14, 2006, the Environmental Impact Assessment Notification S.O. 1533 (—2006 Notification) superseded the 1994 Notification. Under the 2006 Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required.

### **The Public Liability Insurance Act, 1991**

This 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. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

## **National Environmental Policy, 2006**

This Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance & Inter-generational Equity
- Enhancement of resources for Environmental Conservation

## **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Wastes Rules”)**

The Hazardous Waste Rules define the term “hazardous waste” and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an “occupier”. In terms of the Hazardous Waste Rules, occupiers have been, inter alia, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

## **The Manufacture, Storage and import of Hazardous Chemical Rules, 1989 (“Rules”)**

The Rules are formulated under the Environment (Protection) Act, 1986. The 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 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 pipe line, 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 Rules at least 3 months before commencing that activity or before such shorter time as the concerned authority may agree.

## **LAWS RELATING TO EMPLOYMENT**

### **The Code on Wages, 2019 (the “Code”)**

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees' and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**  
Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.
- **The Minimum Wages Act, 1948**  
The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do

any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

- **Occupational Safety, Health and Working Conditions Code, 2019**

The Government of India enacted ‘The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 13 labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, that concern our business.

### **Industrial Relations Code, 2020**

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows:

- **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a lab or court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

- **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

- **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressed for workmen in different.

### **Code on Social Security, 2020**

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee’s Compensation Act, 1923, the Employees’ State

Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

- **Employee's Compensation Act, 1923**  
The Employees' Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees' Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees' Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.
- **Employee's State Insurance Act, 1948**  
It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. 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 Employee State Insurance department.
- **Employee's Provident Fund and Miscellaneous Provisions Act, 1952**  
The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.
- **Maternity Benefit Act, 1961**  
The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.
- **Payment of Gratuity Act, 1972**  
The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

### **Employees' Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the “Act”)**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”)**

The “CLPR Act” seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

### **Fire Prevention Laws and The National Building Code of India, 2016**

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. The National Building Code (NBC) promulgates legal provisions governing the safety of individuals within specific categories of structures, encompassing public, residential, industrial buildings and others as stated within categories provided therein. These provisions encompass a wide array of critical aspects, including but not limited to fire safety, disaster management and precautions, as well as accessibility.

### **The Maharashtra Fire Prevention and Life Safety Measures Act, 2006**

The Maharashtra Fire Prevention and Life Safety Measures Act, 2006 (Mah. III of 2007) is a state law enacted to make more effective provisions for fire prevention and life safety measures in various types of buildings across Maharashtra. The Act empowers the state government to make rules for fire prevention and life safety measures in different areas and types of buildings, and requires owners/occupiers of buildings to obtain a fire NOC (No Objection Certificate) from the Chief Fire Officer before construction, reconstruction, addition or alteration of any building. It mandates the installation and maintenance of fire prevention and life safety measures in buildings as per the National Building Code and state rules, and authorizes fire officers to conduct inspections, issue orders, and take action against non-compliance, including imposing penalties. The Act has an overriding effect over other laws but is in addition to existing laws related to fire prevention and life safety, and has been amended multiple times, with the latest amendment being the Maharashtra Fire Prevention and Life Safety Measures (Amendment) Act, 2023, in order to enhance fire safety standards in Maharashtra's built environment.

### **The Boilers Act, 1923**

The Boilers Act, 1923 is a significant legislation in India that consolidates and amends laws related to steam boilers. This act applies to the entire country except for Jammu and Kashmir. It focuses on regulating the use of boilers, ensuring their registration and certification, and outlining the roles of Chief Inspectors, Deputy Chief Inspectors, and Inspectors in overseeing boiler safety and compliance. The Act defines key terms like "accident," "boiler," and "superheater" to provide clarity on its scope and application. Violations of the statutory instructions under this Act are considered punishable offenses under specific provisions. The Act also includes provisions for technical advisers, welders' certificates, and conditions for manufacturing, inspecting, and repairing boilers and boiler components. Additionally, it outlines limitations of application, exempting locomotive boilers under railway control and boilers in steam-propelled vessels from certain provisions. The Act emphasizes safety, certification, and regulatory oversight to ensure the proper functioning and maintenance of steam boilers in India.

### **The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996**

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 were introduced by the Central Government of India to address chemical accidents. These rules define a chemical accident as an unintended incident involving hazardous chemicals that leads to exposure, injury, or damage. Hazardous chemicals are identified based on specific toxicity criteria or inclusion in designated schedules. The rules establish Central, State, District, and Local Crisis Groups responsible for preventing, preparing for, and responding to chemical accidents. The Central Crisis Group oversees post-accident situations, analyzes incidents, reviews emergency plans, and addresses inquiries. State Crisis Groups support state governments in planning and response efforts, while District Crisis Groups coordinate at the local level, monitor accidents, and ensure information dissemination. Local Crisis Groups focus on industrial site emergencies, developing local plans, training personnel, educating the public, conducting drills, and

handling inquiries. Overall, these rules create a structured framework for managing chemical accident risks across different levels of governance in India.

### **The MIDC (Maharashtra Industrial Development Corporation) Water Supply Regulations, 1973**

The MIDC (Maharashtra Industrial Development Corporation) Water Supply Regulations, 1973 govern the provision of water supply connections by MIDC to industrial establishments in Maharashtra. As per these regulations, any consumer (industrial unit) obtaining a water supply connection from MIDC has to abide by the terms and conditions specified, which cover aspects like application for new water connections, payment of charges, installation of meters, maintenance of the water supply system, and restrictions on usage. Regulation 2(1) specifically deals with the requirements for obtaining a new water supply connection from MIDC. The regulations have been amended from time to time, and the current consumers have to comply with the regulations as amended. Obtaining a water supply connection from MIDC is a key requirement for industrial units set up in MIDC industrial estates, and the connection is governed by the terms of these 1973 regulations, which form the legal framework for MIDC to provide and regulate water supply to industrial consumers in Maharashtra.

### **Certain other laws and regulations that may be applicable to our Company in India include the following:**

- Public Liability Insurance Act, 1991 ("PLI Act")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition)
- Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946
- The Employees Compensation Act, 1923 ("EC Act") and the rules framed thereunder
- Minimum Wages Act, 1948 ("MWA") and the rules framed thereunder.

## **INTELLECTUAL PROPERTY LAWS**

### **The Trade Marks Act, 1999 (the "Trade Marks Act")**

The Trade Marks Act provides for the application, registration and protection of trademarks in India. The Trade Marks Act provides exclusive rights to the use of trademarks such as, brands, labels and headings that have been registered and to provide relief in case of infringement of such marks. The Trade Marks Act prohibits any registration of deceptively similar trademarks. The Trade Marks Act also provides for penalties for infringement and for falsifying and falsely applying trademarks and using them to cause confusion among the public. Our Company has obtained and applied for trademark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999.

## **FOREIGN INVESTMENT LAWS**

### **Foreign Investment Regulations**

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA Rules") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("FDI Policy"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

### **The Customs Act, 1962**

The Customs Act, 1962 is the primary law in India that regulates the import and export of goods, protects domestic industry, prevents smuggling, and conserves foreign exchange by providing the legal framework for the levy and collection of customs duties, including the power to prohibit certain goods, with provisions for the appointment of customs officers, customs ports and airports, clearance procedures, and valuation of goods, complemented by the Customs Tariff Act, 1975 specifying duty rates, and amended over the years to keep up with changing trade dynamics and policy objectives.

## **Foreign Exchange Management Act, 1999 (“the FEMA”) and Rules and Regulations thereunder**

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999, 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 (“Export of Goods and Services Regulations 2015”) issued by the RBI on January 12, 2016 (last amended on June 23, 2017). The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

## **The Foreign Trade (Development and Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 is a key legislation that governs India’s foreign trade policy. Enacted in 1992, the Act empowers the Central Government to make provisions related to foreign trade, including formulating and amending the export and import policy, in order to facilitate imports and augment exports. It authorizes the appointment of a Director General of Foreign Trade to advise on and implement the foreign trade policy, and requires all importers and exporters to obtain an Importer Exporter Code (IEC) Number. The Act also provides for search, seizure, penalties and confiscation for contravention of its provisions, rules, orders and foreign trade policy. Amended multiple times, with the latest update in 2010, the 1992 Act remains the primary legislation governing India's foreign trade regulations and objectives.

## **The Foreign Trade Policy (FTP) 2023**

The Foreign Trade Policy (FTP) 2023, launched by the Government of India on April 1, 2023, aims to provide policy continuity and a responsive framework to facilitate exports and imports. Key features include shifting from an incentives-based regime to a remission and entitlement-based approach, emphasizing process re-engineering and automation for ease of doing business, introducing an Amnesty Scheme for exporters, encouraging recognition of new "Towns of Export Excellence" and exporters, streamlining popular schemes, codifying implementation mechanisms in a paperless, online environment, and promoting exports at the district level through the "Districts as Export Hubs" initiative. The overarching goals are to increase India's overall exports to \$2 trillion by 2030, with equal contributions from merchandise and services sectors, and to encourage the use of the Indian currency in cross-border trade, leveraging India's G20 presidency for massive outreach to the world.

## **GENERAL CORPORATE COMPLIANCE**

### **The Companies Act, 2013**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way for the enactment of the Companies Act, 2013. The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post-incorporation. The conversion of the private company into a public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, the appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to bank companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One-Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act. Further, The Companies Act, 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified.

### **The Payment and Settlement Systems Act, 2007**

The Payment and Settlement Systems Act, 2007 designates the Reserve Bank of India (RBI) as the authority responsible for regulating and supervising payment systems in the country, empowering it to authorize payment system operators, determine standards, call for information, inspect premises, issue directions, recognize netting and settlement finality, protect settlements from insolvency proceedings, settle disputes between participants, and impose penalties for non-compliance - all with the aim of strengthening the regulatory framework for payment systems in India.

## **OTHER RELEVANT LEGISLATIONS**

### **The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")**

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does



not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees

### **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under the Indian Stamp Act, 1899, an instrument not duly stamped cannot be accepted as evidence by civil court, an arbitrator or any other authority authorized to receive evidence. However, the document can be accepted as evidence in criminal court.

### **Municipality Laws**

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

### **Shops and Establishments Legislations**

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and 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 Maharashtra Shops and Establishments Act, 1948**

The Maharashtra Shops and Establishments Act, 1948 was the primary legislation governing shops and commercial establishments in the state of Maharashtra prior to its replacement by the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017. The 1948 Act extended to the entire state and regulated the conditions of work and employment in various establishments like shops, commercial establishments, hotels, restaurants, theatres, and other places of public entertainment. It defined key terms, provided regulations around working hours, overtime, holidays, leaves, and health and safety of workers, and required all shops and establishments to obtain a registration certificate. The Act also empowered the state government to appoint inspectors to enforce its provisions and take action against non-compliance. While amended multiple times over the years, the 1948 Act remained the key legislation governing Maharashtra's shops and establishments until it was superseded by the updated 2017 Act, which introduced several reforms and simplifications.

### **Competition Act, 2002**

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to "prohibit anti-competitive agreements, abuse of dominant positions by enterprises" and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

### **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 Negotiable Instruments Act, 1881**

The Negotiable Instruments Act, 1881 is a law in India that governs the usage of negotiable instruments such as promissory notes, bills of exchange, and cheques. It defines negotiable instruments, outlines rules for negotiation and transfer, and provides penalties and compensation for dishonoured instruments. The Act has undergone significant amendments, including the 1988 amendment that made cheque dishonour a criminal offense and the 2002 amendment that closed loopholes and provided additional clarity. It plays a crucial role in facilitating financial transactions in India by providing a legal framework for the use of negotiable instruments, ensuring the smooth functioning of financial systems, and providing a mechanism for resolving disputes related to these instruments.

## **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.

## **TAX RELATED LEGISLATIONS**

### **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 154 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 Service Tax (GST)**

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

### **The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975**

The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 is a state law that levies a tax on individuals engaged in various professions, trades, callings and employments in Maharashtra. The tax, which cannot exceed ₹2,500 per person per year, is deducted by employers from their employees’ salaries and paid to the government, with the proceeds credited to the Employment Guarantee Fund. The Act has been amended multiple times since its inception, with the latest update in 2023, and is implemented through detailed rules covering registration, enrollment, tax payment, and filing of returns.

**HISTORY AND CORPORATE STRUCTURE****Brief history of our Company:**

Our Company was originally incorporated as a Public Limited Company under the name of “Unilex Exports Limited” on March 23, 2001 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U24239MH2001PLC131352. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 26, 2012, the name of our Company was changed from “Unilex Exports Limited” to “Unilex Colours and Chemicals Limited” and a fresh certificate of incorporation consequent upon Change of Name was issued by the Registrar of Companies, Mumbai, Maharashtra vide certificate dated April 14, 2012 bearing CIN U74999MH2001PLC131352.

Purushottam Brijlal Sharma, Radheyshyam Brajlal Sharma, Shyamsunder Brijlal Sharma, Krishnakumar Madanmohan Sharma, Narendra Parameswarappa Kotehall, Aditya Sharma and Manjula Sharma were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 91, 81, 116 and 171 respectively of this Draft Red Herring Prospectus.

**Our Locations:**

<b>Registered Office</b>	106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India
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**Changes in Registered Office of the Company since Incorporation:**

Except as disclosed below, there has not been any change in our Registered Office since incorporation till the date of this Draft Red Herring Prospectus:

Effective Date	From	To	Reason for Change
November 01, 2010	11 Saraf Udyog Bhawan Chincholi Phatak, S V Road Malad (West) Mumbai-400064 Maharashtra	106-107, Advent Atria, Chincholi Bunder Road, Malad (W) Mumbai-400064 Maharashtra	To increase Operational Efficiency

**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:

- To do business in India and/or abroad as producers, manufacturers, importers, exporters of and dealers in all kinds of paints, pigments, distempers, writing, printing and ink of all other kinds and raw materials used for the preparation of the above and to do the business of manufacturing, fabricating, developing, improving, repairing or otherwise dealing in all such machinery, plant, equipment and other related facilities for the production of the aforesaid colours, pigments and procure, produce, manufacture, deal, trade in dispose-off all types of flotation, re-agents, wetting agents, dye-stuffs, catalytic agents, direct colours, basic colours, pigments, alkalies and products derived from phosphate, lime-stone, natural gas and other natural deposits, bauxite mines, useful or suitable in the manufacture of chemicals, chemical products for the purpose of the business of the company and to deal in its bi-products, also restoratives and consumable provisions for human and or animal consumption as required in preparation of foods stuffs, in all natural, artificial, synthetic, chemical, edible food colours in form of acids, preservatives, flavours, sweeteners, suspenders, concentrates, additives, taste makers, glucose, nutrients, baked products, decoratives or reps-dues or by products of aforesaid and also act as producers, manufacturers, importers, exporters of and dealers in all kinds of colouring agents required in weaving, manufacturing, bleaching, dyeing, colouring, printing, finishing, processing of all kinds of fabrics, yarns, textiles as may be prepared from nylon, polyester, acrylic, and Hydrocarbons, Synthetic Foods and preparation thereof.
- To Carry on business in India or elsewhere as manufacturers, producers, processors, makers, convertors, refiners, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, jobbers, brokers, or otherwise deal in all kinds of pharmaceuticals, medical, drugs and formulations, chemicals, chemical compounds, (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever, and all products and joint products 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
February 03, 2003	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 50.00 Lakhs divided into 5,00,000 Equity Shares of ₹ 10/- each to ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each.

Date of Meeting	Type of Meeting	Amendments
February 02, 2006*	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 100.00 Lakhs divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 250.00 Lakhs divided into 25,00,000 Equity Shares of ₹ 10/- each.
March 29, 2007	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 250.00 Lakhs divided into 25,00,000 Equity Shares of ₹ 10/- each to ₹ 300.00 Lakhs divided into 30,00,000 Equity Shares of ₹ 10/- each.
March 02, 2009	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 300.00 Lakhs divided into 30,00,000 Equity Shares of ₹ 10/- each to ₹ 350.00 Lakhs divided into 35,00,000 Equity Shares of ₹ 10/- each.
February 02, 2010	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 350.00 Lakhs divided into 30,00,000 Equity Shares of ₹ 10/- each to ₹ 500.00 Lakhs divided into 50,00,000 Equity Shares of ₹ 10/- each.
February 02, 2010	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 350.00 Lakhs divided into 30,00,000 Equity Shares of ₹ 10/- each to ₹ 500.00 Lakhs divided into 50,00,000 Equity Shares of ₹ 10/- each.
March 26, 2012	EGM	Clause I of the Memorandum of Association was amended consequent to the change in name from 'Unilex Exports Limited' to 'Unilex Colours and Chemicals Limited' and accordingly Clause was amended as: I. The name of the company is Unilex Colours and Chemicals Limited.
		Clause III(a) of the Memorandum of Association was amended by replacing the existing Clause III (A) (1) with following object: 1. To do business in India and/or abroad as producers, manufacturers, importers, exporters of and dealers in all kinds of paints, pigments, distempers, writing, printing and ink of all other kinds and raw materials used for the preparation of the above and to do the business of manufacturing, fabricating, developing, improving, repairing or otherwise dealing in all such machinery, plant, equipment and other related facilities for the production of the aforesaid colours, pigments and procure, produce, manufacture, deal, trade in dispose-off all types of flotation, re-agents, wetting agents, dye-stuffs, catalytic agents, direct colours, basic colours, pigments, alkalies and products derived from phosphate, lime-stone, natural gas and other natural deposits, bauxite mines, useful or suitable in the manufacture of chemicals, chemical products for the purpose of the business of the company and to deal in its bi-products, also restoratives and consumable provisions for human and or animal consumption as required in preparation of foods stuffs, in all natural, artificial, synthetic, chemical, edible food colours in form of acids, preservatives, flavours, sweeteners, suspenders, concentrates, additives, taste makers, glucose, nutrients, baked products, decoratives or reps-dues or by products of aforesaid and also act as producers, manufacturers, importers, exporters of and dealers in all kinds of colouring agents required in weaving, manufacturing, bleaching, dyeing, colouring, printing, finishing, processing of all kinds of fabrics, yarns, textiles as may be prepared from nylon, polyester, acrylic, and Hydrocarbons, Synthetic Foods and preparation thereof.
February 06, 2024	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the company from ₹ 500.00 Lakhs divided into 50,00,000 Equity Shares of ₹ 10/- each to ₹ 1,500.00 Lakhs divided into 1,50,00,000 Equity Shares of ₹ 10/- each. Adoption of MOA as per Companies Act, 2013.

\*The form filed with the RoC for the said increase in authorized share capital is not available with the Company, thus date of meeting cannot be traced. These details have been inserted here based on the information received from the company. Please refer to Risk Factor "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." on page 23 of this Draft Red Herring Prospectus.

#### Adoption of new set of Articles of Association of the Company:

Our Company has adopted a new set of Articles of Association in accordance with the applicable provisions of the Companies Act 2013, at the Extra Ordinary General Meeting of the Company held on February 06, 2024.

#### 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
2001	Incorporation of our Company as "Unilex Exports Limited" under the Companies Act, 1956
2012	Change in the name of our Company from 'Unilex Exports Limited' to 'Unilex Colours and Chemicals Limited'

Year/F.Y.	Key Events / Milestone / Achievements
2016-17	Crossed Total Revenue of ₹ 50 Crore
2021-22	Crossed Total Revenue of ₹ 150 Crore
2023	Got Certificate of Recognition for Three Start Export House.
2023	47 <sup>th</sup> CHEMEXCIL Export Award for the outstanding performance in the Basic Chemical, Organic & Inorganic Chemical, including Agro Chemicals panel for the financial year 2017-18 & 2018-19
2024	Got Certificate of SME Grading -IAR-SME-1 which indicates the level of creditworthiness of an SME, adjudged in relation to other SMEs is Highest valid till February 08, 205

#### Other details about our Company:

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of plants, technology, marketing strategy, competition and our customers, please refer section titled "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" on pages 91, 171 and 74 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "*Our Management*" and "*Capital Structure*" beginning on page 116 and 54 of the Draft Red Herring Prospectus respectively.

#### Capital Raising (Debt/ Equity):

For details in relation to our capital raising activities through equity, please refer to the chapter titled "*Capital Structure*" beginning on page 54 of the Draft Red Herring Prospectus. For a description of our Company's debt facilities, see "*Statement of Financial Indebtedness*" on page 168 of the Draft Red Herring Prospectus.

#### Lock-out or strikes:

There have been no lock-outs or strikes in our Company since inception.

#### Changes in activities of our Company during the last five (5) Years:

Except as disclosed in this Draft Red Herring Prospectus, there has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Red Herring Prospectus.

#### Our Holding Company:

As on the date of this Draft Red Herring Prospectus, our Company does not have holding company.

#### Our Subsidiary & Associate Company:

As on the date of this Draft Red Herring Prospectus, our Company does not have subsidiary & associate company.

#### Our Joint Ventures:

As on the date of this Draft Red Herring Prospectus, our Company does not have any Joint Ventures.

#### Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation and location of plants

For information on key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation, location of our manufacturing facilities, please see the section titled "*Our Business*" on page 91 of this Draft Red Herring Prospectus.

#### Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamation, any revaluation of assets, etc. if any, in the last ten years:

Except as disclosed in this Draft Red Herring Prospectus, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets 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 179 of this Draft Red Herring Prospectus, there are no injunctions/restraining orders that have been passed against our Company.

#### Number of shareholders of our Company:

Our Company has Ten (10) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding

pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 54 of the Draft Red Herring Prospectus.

**Changes in the Management:**

For details of change in Management, please see chapter titled “*Our Management*” on page 116 of the Draft Red Herring Prospectus.

**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 Draft 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.

**Collaboration Agreements:**

As on date of this Draft Red Herring Prospectus, Our Company is not a party to any collaboration agreements.

**Material Agreement:**

Our Company has not entered into any subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the Company.

**Strategic or Financial Partners:**

Our Company does not have any strategic or financial partners as on the date of this Draft 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 Draft Red Herring Prospectus.

**Other Agreements:**

**i. Non-Compete Agreement:**

Our Company has not entered into any No- compete Agreement as on the date of filing of this Draft 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 Draft 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 Draft Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Purushottam Brijlal Sharma</b></p> <p><b>Designation:</b> Chairman &amp; Whole-time director</p> <p><b>Age:</b> 75 years</p> <p><b>Date of Birth:</b> August 26, 1948</p> <p><b>Address:</b> Flat B-1103, Vini Tower, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India</p> <p><b>Experience:</b> More than 37 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> Designated as Chairman &amp; Whole-time Director of the Company, w.e.f. March 12, 2024 for a period of 3 years and shall be liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since incorporation</p> <p><b>DIN:</b> 01416956</p>	<p>1. Unisynth Overseas Limited</p>
<p><b>Aditya Sharma</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Age:</b> 50 years</p> <p><b>Date of Birth:</b> September 18, 1973</p> <p><b>Address:</b> B-1103, Vini Tower, Off Link Road, Near Infent Jesus School, Malad (West), Mumbai-400064, Maharashtra, India</p> <p><b>Experience:</b> 32 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Master of Science (Organic Chemistry)</p> <p><b>Current Term:</b> Designated as Managing Director of the Company, w.e.f. March 12, 2024 for a period of 3 years and shall be liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since July 07, 2022</p> <p><b>DIN:</b> 00583133</p>	<p>1. Greenviro Environmental Systems Private Limited</p> <p>2. Vardhaman Dye-Stuff Industries Private Limited</p> <p>3. Unisynth Overseas Limited</p> <p>4. Goldstar Global Trading FZ-LLC</p>
<p><b>Narendra Parameswarappa Kotehall</b></p> <p><b>Designation:</b> Whole-time Director</p> <p><b>Age:</b> 62 years</p> <p><b>Date of Birth:</b> August 30, 1961</p>	<p>Nil</p>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Address:</b> A/202, Kalpataru Garden, Chakradhari Nagar, Nallasopara (West), Thane-401203, Maharashtra, India</p> <p><b>Experience:</b> 31 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> B.E. (Chemical)</p> <p><b>Current Term:</b> Designated as Whole-time Director of the Company, w.e.f. March 12, 2024 for a period of 3 years and shall be liable to retire by rotation.</p> <p><b>Period of Directorship:</b> Since Incorporation</p> <p><b>DIN:</b> 00590501</p>	
<p><b>Manojkumar Shyamsunder Sharma</b></p> <p><b>Designation:</b> Executive Director</p> <p><b>Age:</b> 54 years</p> <p><b>Date of Birth:</b> June 01, 1970</p> <p><b>Address:</b> 105/106, Link Plaza Chs Ltd, Link Road, Malad West, Mumbai-400064, Maharashtra, India</p> <p><b>Experience:</b> 32 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Commerce</p> <p><b>Current Term:</b> Designated as Executive Director of the Company, w.e.f. March 12, 2024 for a period of 3 years and shall be liable to retire by rotation.</p> <p><b>Period of Directorship:</b> March 01, 2022</p> <p><b>DIN:</b> 01375905</p>	<ol style="list-style-type: none"> <li>1. Unisynth Overseas Limited</li> <li>2. Vardhaman Dye-Stuff Industries Private Limited</li> <li>3. Greenviro Environmental Systems Private Limited</li> <li>4. Taizhou Xiaqi Import and Export Co., Ltd.</li> </ol>
<p><b>Kabir Radheyshyam Sharma</b></p> <p><b>Designation:</b> Executive Director</p> <p><b>Age:</b> 33 years</p> <p><b>Date of Birth:</b> November 14, 1990</p> <p><b>Address:</b> 602, Satyam Shivam CH.S. Ltd, Link Road, Near Movie Time Theatre, Evershine Nagar, Malad West, Mumbai-400064, Maharashtra, India</p> <p><b>Experience:</b> 9 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Master of Science (International Business)</p> <p><b>Current Term:</b> Designated as Executive Director of the Company, w.e.f. March 12, 2024 for a period of 3 years and shall be liable to retire by rotation.</p> <p><b>Period of Directorship:</b> March 01, 2022</p> <p><b>DIN:</b> 08377687</p>	<ol style="list-style-type: none"> <li>1. Unisynth Overseas Limited</li> <li>2. Vardhaman Dye-Stuff Industries Private Limited</li> <li>3. Greenviro Environmental Systems 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>Rohit Krishnakumar Sharma</b></p> <p><b>Designation:</b> Executive Director</p> <p><b>Age:</b> 33 years</p> <p><b>Date of Birth:</b> July 18, 1991</p> <p><b>Address:</b> Flat No 502, Satyam Shivam CHS Ltd, Linking Road, Evershine Nagar, Near Movie Time Theatre, Malad West, Mumbai-400064, Maharashtra, India</p> <p><b>Experience:</b> 9 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Master of Science (International Business and Management)</p> <p><b>Current Term:</b> Designated as Executive Director of the Company, w.e.f. March 12, 2024 for a period of 3 years and shall be liable to retire by rotation.</p> <p><b>Period of Directorship:</b> March 01, 2022</p> <p><b>DIN:</b> 08377687</p>	<ol style="list-style-type: none"> <li>1. Unisynth Overseas Limited</li> <li>2. Vardhaman Dye-Stuff Industries Private Limited</li> <li>3. Greenviro Environmental Systems Private Limited</li> <li>4. Goldstar Global Trading FZ-LLC</li> </ol>
<p><b>Ketan Damji Saiya</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 53 years</p> <p><b>Date of Birth:</b> May 26, 1971</p> <p><b>Address:</b> A-203, Dheeraj Apartment, Natwar Nagar Road No 1 Near Western Express Highway, Jogeshwari East, Mumabi-400060, Maharashtra, India</p> <p><b>Experience:</b> 29 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> Chartered Accountant, DISA Qualified</p> <p><b>Current Term:</b> For a period of 3 years w.e.f., March 12, 2024 not liable to retire by rotation.</p> <p><b>Period of Directorship:</b> 3 years</p> <p><b>DIN:</b> 00425872</p>	<ol style="list-style-type: none"> <li>1. KDS Capital Private Limited</li> </ol>
<p><b>Amit Kumar Mundra</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 44 years</p> <p><b>Date of Birth:</b> March 01, 1980</p> <p><b>Address:</b> A 403, Vasant Marvel Grace CHS, Near Magathane Telephone Exchange, Borivali East, Mumbai-400066, Maharashtra, India</p> <p><b>Experience:</b> 22 years</p> <p><b>Occupation:</b> Professional</p>	<ol style="list-style-type: none"> <li>1. Rathi Mundra Rubber Manufacturing Private Limited</li> <li>2. S S R Wealth Solutions 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, DISA Qualified, Forensic Accounting &amp; Fraud Detection Qualified</p> <p><b>Current Term:</b> For a period of 3 years w.e.f., March 12, 2024 not liable to retire by rotation</p> <p><b>Period of Directorship:</b> 3 Years</p> <p><b>DIN:</b> 01491934</p>	
<p><b>Daya Amit Bansal</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 38 years</p> <p><b>Date of Birth:</b> May 02, 1986</p> <p><b>Address:</b> D 604 Janki Height, New Golden Nest, Bhayander East, Thane-401105, Maharashtra, India</p> <p><b>Experience:</b> 13 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> Chartered Accountant, Concurrent Auditor and Social Auditors</p> <p><b>Current Term:</b> For a period of 3 years w.e.f., May 07, 2024 not liable to retire by rotation</p> <p><b>Period of Directorship:</b> 3 Years</p> <p><b>DIN:</b> 10619274</p>	Nil

**Brief Profile of Directors:**

1. **Purushottam Brijlal Sharma**, aged 75 years is one of the Promoters and Chairman & Whole-time Director of the Company. He has been on the Board of Directors since the company's incorporation. He has been a qualified Chartered Accountant since 1975 and has over 37 years of experience in the associated industry. He oversees the overall business operations of the company, including the Business Development and Finance departments. Under his guidance, the company has witnessed continuous growth and he has been instrumental in the business's success.
2. **Aditya Sharma**, aged 50 years is one of the Promoters and Managing Director of the Company. He has been associated with the company since incorporation. He has completed his Master of Science in Organic Chemistry from University of Mumbai, in 1996. With nearly 32 years of overall experience, he primarily oversees the implementation and execution of the company's strategy.
3. **Narendra Parameswarappa Kotehall**, aged 62 years is one of the Promoters and Whole-time Director of the Company. He has been associated with the company since incorporation. He has completed his B.E. Degree Examination in Chemical Engineering from Siddaganga Institute of Technology, Tumkur in 1987. He has an overall experience of 31 years and is looking towards the technical and manufacturing operations of the company. Under his guidance, the company has witnessed continuous growth.
4. **Manojkumar Shyamsunder Sharma**, aged 54 years is one of the Promoters and Executive Director of the Company. He has been associated with the company since 2022. He has completed his Bachelor of Commerce from University of Bombay in 1991. With 32 years of overall experience, he focuses on cost management and finance for the company.
5. **Kabir Radheyshyam Sharma**, aged 33 years is one of the Promoters and Executive Director of the Company. He has been associated with the company since 2022. He has completed his Master of Science in Internation Business from University of Birmingham in 2014. With 9 years of overall experience, he focuses on international marketing and strategy formulation for the company.
6. **Rohit Krishnakumar Sharma**, aged 33 years is one of the Promoters and Executive Director of the Company. He has been associated with the company since 2022. He has completed his Master of Science in Internation Business and Management

from University of Manchester in 2014. With 9 years of overall experience, he focuses on overall business, marketing and plant management of the company.

7. **Ketan Damji Saiya**, aged 53 years is an Independent Director of our Company. He has been on the Board of Directors of our Company since 2024. He is member of the Institute of Chartered Accountants of India since 1995 and also is also a member of DISA Qualified member since 2003. He has an overall experience of around 29 years in the field of Accounting, Auditing and Taxation matters.
8. **Amit Kumar Mundra**, aged 44 years is an Independent Director of our Company. He has been on the Board of Directors of our Company since 2024. He is member of the Institute of Chartered Accountants of India since 2002, member of DISA Qualified member since 2007 and is certified in Forensic Accounting & Fraud Detection in year 2017. He has an overall experience of around 22 years in the field of corporate finance and taxation matters.
9. **Daya Amit Bansal**, aged 38 years is an Independent Director of our Company. She has been on the Board of Directors of our Company since 2024. She is member of the Institute of Chartered Accountants of India since 2011, qualified member of Concurrent Audit of Banks in year 2021 and also completed Social Auditors Certification Examination in year 2023. She has an overall experience of around 13 years in the field of audit & assurance, tax & tax litigation, RERA etc.

#### Confirmations:

As on the date of this Draft Red Herring Prospectus:

- a) None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Red Herring Prospectus with the SEBI, during the term of his/ her directorship in such company.
- b) None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
- c) None of our Directors have been identified as a willful defaulter, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.
- d) Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1) (p) of the SEBI ICDR Regulations, and have not been declared as a '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 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.	Aditya Sharma	Son of Purushottam Brijlal Sharma
2.	Purushottam Brijlal Sharma	Father of Aditya Sharma

#### 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 February 06, 2024 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 be and are hereby 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 ₹200 crores (Rupees Two Crores Only).

### Compensation of our Managing Director and Whole-time Directors

The compensation payable to our Managing Director and Whole-time Directors 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 Managing Director and Whole-time Directors

#### 1. Purushottam Brijlal Sharma: Chairman & Whole-time Director

Pursuant to the resolutions passed by our Board and our Shareholders on March 06, 2024 and March 12, 2024 respectively, Purushottam Brijlal Sharma was appointed and re-designated as Chairman & Whole-time Director for a period of three years with effect from March 12, 2024 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 ₹24 lakhs p.a.

#### 2. Aditya Sharma: Managing Director

Pursuant to the resolutions passed by our Board and our Shareholders on March 06, 2024 and March 12, 2024 respectively, Aditya Sharma was appointed and re-designated as Managing Director for a period of three years with effect from March 12, 2024 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 ₹60 lakhs p.a.

#### 3. Narendra Parameswarappa Kotehall: Whole-time Director

Pursuant to the resolutions passed by our Board and our Shareholders on March 06, 2024 and March 12, 2024 respectively, Narendra Parameswarappa Kotehall was appointed and re-designated as Whole-time Director for a period of three years with effect from March 12, 2024 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 ₹6 lakhs p.a.

### Payments or benefits to Directors:

#### The remuneration paid to our Directors in Fiscal 2024 is as follows:

Name of Director	Remuneration paid in F.Y. 2023-24 (₹ in lakhs)
Purushottam Brijlal Sharma	18.48
Aditya Sharma	Nil
Narendra Parameswarappa Kotehall	Nil

### Bonus or Profit-Sharing Plan for our Directors:

We have no bonus or profit-sharing plan for our directors.

### Sitting Fees:

Pursuant to Board Resolution dated May 13, 2024, the remuneration payable in terms of sitting fees to the Directors (including Independent Directors) for attending the Meetings of the Board and Committee thereof shall not exceed the limits prescribed under Section 197(5) of the Companies Act, 2013.

### Shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
1.	Purushottam Brijlal Sharma	8,58,000	8.57%
2.	Aditya Sharma	22,53,000	22.49%
3.	Narendra Parameswarappa Kotehall	1,44,000	1.44%
4.	Manojkumar Shyamsunder Sharma	22,50,000	22.46%
5.	Kabir Radheyshyam Sharma	22,50,000	22.46%
6.	Rohit Krishnakumar Sharma	22,50,000	22.46%
	<b>Total</b>	<b>1,00,05,000</b>	<b>99.88%</b>

We do not have Subsidiary Company as defined under Section 2(87) 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 116 of this Draft 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 137 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft 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.

Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company –Annexure XXXI - Related Party Transaction”** beginning on page 116 and 161 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### **Interest in the property of Our Company:**

Our Directors do not have any interest in any property acquired by our Company in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### **Changes in Board of Directors in Last 3 Years**

<b>Name of Director</b>	<b>Date of Change</b>	<b>Reasons for Change in Board</b>
Manojkumar Shyamsunder Sharma	March 01, 2022	Appointed as Additional Director
Rohit Krishnakumar Sharma	March 01, 2022	Appointed as Additional Director
Kabir Radheyshyam Sharma	March 01, 2022	Appointed as Additional Director
Manojkumar Shyamsunder Sharma	September 30, 2022	Regularised as Director
Rohit Krishnakumar Sharma	September 30, 2022	Regularised as Director
Kabir Radheyshyam Sharma	September 30, 2022	Regularised as Director
Aditya Sharma	March 12, 2024	Re-designated as Managing Director
Narendra Parameswarappa Kotehall	March 12, 2024	Re-designated as Whole-time Director
Purushottam Brijlal Sharma	March 12, 2024	Re-designated as Chairman & Whole-time Director
Manojkumar Shyamsunder Sharma	March 12, 2024	Re-designated as Executive Director
Rohit Krishnakumar Sharma	March 12, 2024	Re-designated as Executive Director
Kabir Radheyshyam Sharma	March 12, 2024	Re-designated as Executive Director
Richa Kapil Ramuka	March 12, 2024	Appointed as Independent Director
Amit Kumar Mundra	March 12, 2024	Appointed as Independent Director
Ketan Damji Saiya	March 12, 2024	Appointed as Independent Director
Richa Kapil Ramuka	March 18, 2024	Resignation due to personal and unavoidable circumstances
Daya Amit Bansal	May 07, 2024	Appointed as Independent Director

## 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 NSE (NSE Emerge). 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 to 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 nine (9) directors of which three (3) 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 May 13, 2024 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:

Name of the Director	Status in Committee	Nature of Directorship
Daya Amit Bansal	Chairperson	Independent Director
Amit Kumar Mundra	Member	Independent Director
Aditya Sharma	Member	Managing 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 audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of

the audit committee, whichever is greater, with at least two independent directors. The Chairperson of the Audit Committee shall be present at Annual general meeting to answer shareholder queries.

**C. Power of the Committee:**

The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**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:

**The role of the Audit Committee shall include the following:**

- 2) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 3) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 4) approval of payment to 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, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report.
- 6) reviewing, with the management, the quarterly 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 utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- 8) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 9) approval or any subsequent modification of transactions of the listed entity with related parties;
- 10) scrutiny of inter-corporate loans and investments;
- 11) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 12) evaluation of internal financial controls and risk management systems;
- 13) reviewing, with the management, performance of statutory and internal auditors, 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) discussion with internal auditors of any significant findings and follow up there on;
- 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) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) to look 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) to review the functioning of the whistle blower mechanism;
- 20) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- 22) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- 23) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 24) 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) management letters/ letters of internal control weaknesses issued by the statutory auditors;
- 3) internal audit reports relating to internal control weaknesses;
- 4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 5) statement of deviations:
  - a. quarterly/ half yearly 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 an Stakeholders Relationship Committee vide Board Resolution dated May 13, 2024 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
Amit Kumar Mundra	Chairperson	Independent Director
Aditya Sharma	Member	Managing Director
Ketan Damji Saiya	Member	Independent 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 stakeholder's relationship committee shall meet at least once in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

### C. Terms of Reference:

The Role of Stakeholders Relationship Committee as Part D of Schedule II of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. 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 May 13, 2024 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
Daya Amit Bansal	Chairperson	Independent Director
Amit Kumar Mundra	Member	Independent Director
Ketan Damji Saiya	Member	Independent 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 nomination and remuneration committee shall meet 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 Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**C. Role of Terms of Reference:**

The Role of Nomination and Remuneration Committee as Part D of Schedule II of SEBI Listing Regulation 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 performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. 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. recommend to the board, all remuneration, in whatever form, payable to senior management;
8. 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.

**4. Corporate Social Responsibility Committee**

Our Company has formed Corporate Social Responsibility Committee vide Board Resolution passed in the meeting dated May 13, 2024 in compliance with the provisions of the Section 135 & Schedule VII of the Companies Act, 2013 read with rules framed thereunder. The Corporate Social Responsibility Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Ketan Damji Saiya	Chairperson	Independent Director
Purushottam Brijlal Sharma	Member	Whole-time Director
Manojkumar Shyamsunder Sharma	Member	Executive Director

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
4. To Monitor the Corporate Social Responsibility policy of the Company from time to time; and
5. Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 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 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	Compensation paid for F.Y. ended 2023-24 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Purushottam Brijlal Sharma</b> <b>Designation:</b> Chairman and Whole-time Director <b>Educational Qualification:</b> Chartered Accountant <b>Term of office:</b> 3 years w.e.f. w.e.f. March 12, 2024, liable to retire by rotation	75	2003	18.48	More than 27 Years	-
<b>Aditya Sharma</b> <b>Designation:</b> Managing Director <b>Educational Qualification:</b> Master of Science (Organic Chemistry) <b>Term of office:</b> 3 years w.e.f. w.e.f. March 12, 2024, liable to retire by rotation	50	2003	Nil	32	-
<b>Narendra Parameswarappa Kotehall</b> <b>Designation:</b> Whole-time Director <b>Educational Qualification:</b> B.E. (Chemical) <b>Term of office:</b> 3 years w.e.f. w.e.f. March 12, 2024, liable to retire by rotation	62	2003	Nil	31	-
<b>Shankarlal Kedarmal Agarwal</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> TDC (Com)	61	2024	1.97	38	Chemi Udyog
<b>Gourav Mundra</b> <b>Designation:</b> Company Secretary & Compliance Officer <b>Educational Qualification-</b> Company Secretary	32	2024	0.34	6	Dhenu Buildcon Infra Limited

**BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

**Prushottam Brijlal Sharma** - Please refer to section “**Brief Profile of our Directors**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Aditya Sharma** - Please refer to section “**Brief Profile of our Directors**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Narendra Parameswarappa Kotehall** - Please refer to section “**Brief Profile of our Directors**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Shankarlal Kedarmal Agarwal** is the Chief Financial Officer of the company. He has completed his TDC (Com) from University of Rajasthan in year 1983. He has over 31 years of experience in Accounts, Finance, taxation matters and audits. He looks after the overall financial matters of our Company

**Gourav Mundra** is the Company Secretary and Compliance Officer of our Company. He is an associate member of the Institute of Company Secretaries of India. He has experience of around 6 years in the field of secretarial and corporate law compliances. He is currently responsible for the overall Corporate Governance and secretarial Compliance and functions of our Company.

**We confirm that:**

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.

- b. 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.
- c. None of our KMPs except Prushottam Brijlal Sharma, Aditya Sharma and Narendra Parameswarappa Kotehall are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended August 31, 2023.
- e. 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.
- f. 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 Draft Red Herring Prospectus except as under:

Sr. No.	Name of the KMP's	No. of Shares held
1.	Purushottam Brijlal Sharma	8,58,000
2.	Aditya Sharma	22,53,000
3.	Narendra Parameswarappa Kotehall	1,44,000
	<b>Total</b>	<b>32,55,000</b>

- h. Presently, we do not have ESOP/ ESPS scheme for our employees.

#### Payment of benefits to officers of Our Company (non-salary related)

Except as disclosed in this Draft 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.

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 provident fund, gratuity fund and employee state insurance

#### Changes in the Key Managerial Personnel in last 3 (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:

Name of Director	Designation	Appointment/ Cessation/ Re-designation	Reasons
Purushottam Brijlal Sharma	Re-designated as Chairman & Whole-time Director w.e.f. March 12, 2024 for a period of 3 years	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
Aditya Sharma	Re-designated as Managing Director w.e.f. March 12, 2024 for a period of 3 years	Re-designation	
Narendra Parameswarappa Kotehall	Re-designated as Whole-time Director w.e.f. March 12, 2024 for a period of 3 years	Re-designation	
Shankarlal Kedarmal Agarwal	Appointed as Chief Financial Officer w.e.f. February 01, 2024	Appointment	
Gourav Mundra	Appointed as Company Secretary & Compliance officer w.e.f. February 01, 2024.	Appointment	

#### Interest of Our Key Managerial Persons

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 Transaction*" beginning on page 161 of this Draft Red Herring Prospectus.

#### Interest in the property of our Company

Except as disclosed in the Draft Red Herring Prospectus, our KMPs do not have any interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing the Draft Red Herring Prospectus with RoC.

#### Arrangement and Understanding with Major Shareholders/ Customers/ Suppliers

None of the above Key Managerial Personnel have been selected pursuant to any arrangement/ understanding with major shareholders/ customers/ suppliers.

**Details of 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 Transaction*” page 161 of this Draft Red Herring Prospectus.




**OUR PROMOTERS & PROMOTER GROUP****Our Promoters:**

The Promoters of our Company are Purushottam Brijlal Sharma, Aditya Sharma, Narendra Parameswarappa Kotehall, Manojkumar Shyamsunder Sharma, Kabir Radheyshyam Sharma and Rohit Krishnakumar Sharma.

As on date of this Draft Red Herring Prospectus, the Promoters collectively holds 1,00,05,000 Equity shares of our Company, representing 99.88% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*", on pages 54 of this Draft Red Herring Prospectus.

**Brief Profile of our Promoters are as under:**

	<p><b>Purushottam Brijlal Sharma – Chairman &amp; Whole-time Director</b></p> <p>Purushottam Brijlal Sharma, aged 75 years, is one of the Promoters and is also the Chairman and Whole-time Director of the company. 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 116 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled '<i>Our Management</i>', our Promoter is involved in following other venture:</p> <ol style="list-style-type: none"> <li>1. Unisynth Chemicals</li> </ol> <p>His permanent account number is AQPPS7452K.</p> <p>For details of his shareholding, please see "<i>Capital Structure</i>" on page 54 of this Draft Red Herring Prospectus.</p>
	<p><b>Aditya Sharma – Managing Director</b></p> <p>Aditya Sharma, aged 50 years, is one of the Promoters and is also the Managing Director of the company. 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 116 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled '<i>Our Management</i>', our Promoter is involved in following other venture:</p> <ol style="list-style-type: none"> <li>1. Unisynth Chemicals</li> <li>2. Runthala Charitable Trust</li> </ol> <p>Her permanent account number is AAGPS0913C.</p> <p>For details of her shareholding, please see "<i>Capital Structure</i>" on page 54 of this Draft Red Herring Prospectus.</p>
	<p><b>Narendra Parameswarappa Kotehall – Whole-time Director</b></p> <p>Narendra Parameswarappa Kotehall, aged 62 years, is one of the Promoters and is also the Whole-time Director of the company. 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 116 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled '<i>Our Management</i>', our Promoter is involved in following other venture:</p> <ol style="list-style-type: none"> <li>1. Unisynth Chemicals</li> </ol> <p>His permanent account number is AACPK2373G.</p> <p>For details of his shareholding, please see "<i>Capital Structure</i>" on page 54 of this Draft Red Herring Prospectus.</p>

	<p><b>Manojkumar Shyamsunder Sharma – Executive Director</b></p> <p>Manojkumar Shyamsunder Sharma, aged 54 years, is one of the Promoters and is also the Executive Director of the company. 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 116 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled ‘<i>Our Management</i>’, our Promoter is involved in following other venture:</p> <ol style="list-style-type: none"> <li>1. Unisynth Chemicals</li> <li>2. Runthala Charitable Trust</li> </ol> <p>His permanent account number is AACPS6136R.</p> <p>For details of his shareholding, please see “<i>Capital Structure</i>” on page 54 of this Draft Red Herring Prospectus.</p>
	<p><b>Kabir Radheyshyam Sharma– Executive Director</b></p> <p>Kabir Radheyshyam Sharma, aged 33 years, is one of the Promoters and is also the Executive Director of the company. 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 116 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled ‘<i>Our Management</i>’, our Promoter is involved in following other venture:</p> <ol style="list-style-type: none"> <li>1. Unisynth Chemicals</li> <li>2. Runthala Charitable Trust</li> </ol> <p>His permanent account number is CDKPS8064H.</p> <p>For details of his shareholding, please see “<i>Capital Structure</i>” on page 54 of this Draft Red Herring Prospectus.</p>
	<p><b>Rohit Krishnakumar Sharma – Executive Director</b></p> <p>Rohit Krishnakumar Sharma, aged 33 years, is one of the Promoters and is also the Executive Director of the company. 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 116 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled ‘<i>Our Management</i>’, our Promoter is involved in following other venture:</p> <ol style="list-style-type: none"> <li>1. Unisynth Chemicals</li> </ol> <p>His permanent account number is BUBPS6772F.</p> <p>For details of his shareholding, please see “<i>Capital Structure</i>” on page 54 of this Draft Red Herring Prospectus.</p>

**BRIEF PROFILE OF PROMOTERS:**

**Purushottam Brijlal Sharma** - Please refer to chapter “**Our Management**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Aditya Sharma** - Please refer to chapter “**Our Management**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Narendra Parameswarappa Kotehall** - Please refer to chapter “**Our Management**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Manojkumar Shyamsunder Sharma** - Please refer to chapter “**Our Management**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Kabir Radheyshyam Sharma** - Please refer to chapter “**Our Management**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Rohit Krishnakumar Sharma** - Please refer to chapter “**Our Management**” beginning on page 116 of this Draft Red Herring Prospectus for details.

**Confirmations/ Declarations:**

In relation to our Promoters Purushottam Brijlal Sharma, Aditya Sharma, Narendra Parameswarappa Kotehall, Manojkumar Shyamsunder Sharma, Kabir Radheyshyam Sharma and Rohit Krishnakumar Sharma, our Company confirms that the PAN, Bank Account number, Passport number, Aadhaar Card number and Driving License number shall be submitted to NSE at the time of filing of this Draft 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 by a 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 179 of this Draft Red Herring Prospectus.
- None of our Promoters, person in control of our Company is or have ever been a promoters, 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 them and their relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Purushottam Brijlal Sharma, Aditya Sharma, Narendra Parameswarappa Kotehall, Manojkumar Shyamsunder Sharma, Kabir Radheyshyam Sharma and Rohit Krishnakumar Sharma collectively holds 1,00,05,000 Equity Shares in our Company i.e., 99.88% 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 him for the rent, purchase and sale transactions. For details, please refer to **Annexure XXXI- “Related Party Transactions”** beginning on page 161 of this Draft Red Herring Prospectus.

For details regarding the shareholding of our Promoters in our Company, please see “**Capital Structure**” on page 54 of this Draft 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 Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

*iii. Interest in transactions for acquisition of land, construction of building and supply of machinery*

None of our promoters or directors is 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 161 forming part of “**Financial Information of the Company**” of this Draft Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Financial Information of Our Company*” on page 168 and 137 respectively of this Draft Red Herring Prospectus.

**Payment or Benefits to our Promoters 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 Managing Director*” in the chapter titled “*Our Management*” beginning on page 116 also refer **Annexure- XXXI** on “*Related Party Transactions*” on page 161 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoters*” in chapter titled “*Our Promoters & Promoter Group*” on page 116 of this Draft Red Herring Prospectus.

**Companies/ Firms with which our Promoters has 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 Draft Red Herring Prospectus.

**Other ventures of our Promoters:**

Save and except as disclosed in this section titled “*Our Promoters & Promoter Group*” beginning on page 130 of this Draft Red Herring Prospectus, there are no other ventures, in which our Promoters have any business interests/ other interests.

**Litigation details pertaining to our Promoters:**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 179 of this Draft Red Herring Prospectus.

**Experience of Promoters in the line of business:**

Our Promoters include Purushottam Brijlal Sharma, Chairman & Whole-time Director; Aditya Sharma, Managing Director; Narendra Parameswarappa Kotehall, Whole-time Director; and Manojkumar Shyamsunder Sharma, Executive Director, all of whom have more than 25 years of experience in the Pigment and Dyes industry. Kabir Radheyshyam Sharma and Rohit Krishnakumar Sharma, both Executive Directors, have 9 years of experience each. The Company shall also endeavor 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, please refer to section titled “**Annexure XXXI - Related Party Transactions**” on page 161 of this Draft Red Herring Prospectus.

**OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons 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



Relationship with Promoter	Purushottam Brijlal Sharma	Aditya Sharma	Narendra Parameswarappa Kotehall	Manojkumar Shyamsunder Sharma	Kabir Radheyshyam Sharma	Rohit Krishnakumar Sharma
Father	Lt. Brijlal Shashtri	Purushottam Brijlal Sharma	Lt. Parameswarappa Hampole	Shyamsunder Brijlal Sharma	Radheyshyam Brijlal Sharma	Krishnakumar Madanmohan Sharma
Mother	Lt. Anandi Devi	Manjula Sharma	Basamma	Sumitradevi Shyamsunder Sharma	Godavari R Sharma	Prabha Sharma
Spouse	Manjula Sharma	Jyoti Sharma	Lt. Champa Kulambi Maheswarappa	Sunita Manoj Sharma	Megha Kabir Sharma	Gunjan Sharma
Brother	Lt. Madam Mohan Sharma; Radheyshyam Brijlal Sharma; Shyamsunder Brijlal Sharma	-	K P Prakash	-	-	-
Sister	Gayatri Sharma; Sharda S Sharma; Lt. Sumitra Sharma	Ritu Sharma	Latha K P	Vibha Krishnakant Beel	Kiran Puneet Tyagi; Neha Radheyshyam Sharma; Priti Ojha; Prabha Sharma; Asha Sharma	Manisha Sharma
Son	Aditya Sharma	Vikram Aditya Sharma; Aaryaman Sharma	Hampole Manjunath Narendra; Tejas H N	Yash Manoj Sharma	-	-
Daughter	Ritu Sharma	-	-	Tanya Manoj Sharma	-	-
Spouse's Father	Lt. Ram Kishore Sharma	Krishna Nagarmal Sharma	Lt Maheshwarappa K.M	Lt. Nandlal Sharma	Sarvesh Kumar Kaushik	Rakesh Sharma
Spouse's Mother	Lt. Shanta Sharma	Lalitha Krishna Sharma	Lt. Rudamma	Parvati Sharma	Archana Sharma	Jyoti Sharma
Spouse's Brother	Pradyumn Sharma	-	-	Sushil Sharma; Sanjay Sharma; Shreeram Sharma	Devansh Kaushik	-
Spouse's Sister	Mridula Kamthan	Swati Krishna Sharma	KM Rekha	-	Somya Kaushik	Apoorva Sharma

**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 would form part of our Promoter Group:

Sr. No.	Nature of Relationship	Entities
1.	Any Body Corporate (other than Subsidiary & Associate) 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;	<ol style="list-style-type: none"> <li>1. Vardhaman Dye-Stuff Industries Private Limited</li> <li>2. Unisynth Overseas Limited</li> <li>3. Greenviro Environmental Systems Private Limited</li> <li>4. Taizhou Xiaqi Import and Export Co., Ltd.</li> <li>5. Goldstar Global Trading FZ-LLC</li> </ol>
2.	Any Body Corporate in which a body corporate as provided in (A) above holds 20% or more, of the equity share capital; and	-
3.	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more 20% of the total capital.	<ol style="list-style-type: none"> <li>1. Chemi Udyog</li> <li>2. Unisynth Chemicals</li> <li>3. Runthala Charitable Trust</li> </ol>

**3. Other persons included in Promoter Group:**

None of 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 its 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. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. 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 a formal dividend policy for declaration of dividend in respect of 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. For details in relation to risks involved in this regard, see “**Risk Factor**” on page 23 of this Draft Red Herring Prospectus.

The details of the dividend paid by our Company on the Equity Shares during the last three Fiscals are given below:

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Number of equity shares at year ended	1,00,17,000	33,39,000	33,39,000
Face value per equity share (in ₹)	10	10	10
Dividend paid (including tax) (in ₹ Lakhs)	133.56*	100.17	100.17
Dividend per Equity Share (in ₹)	3.00	4.00**	3.00
Rate of dividend (%)	30%	40%	30%
Dividend distribution tax (in ₹ Lakhs)	NA	NA	NA
Dividend distribution tax (%)	NA	NA	NA
Mode of payment of dividend	Bank Transfer	Bank Transfer	Bank Transfer

\* As on the dividend declaration date January 09, 2024 the company had 33,39,000 outstanding number of equity shares accordingly dividend of ₹ 133.56 lakhs which include final dividend of ₹ 1 per share for FY2022-23.

\*\* The company declared interim dividend of ₹ 3 per share vide meeting dated January 09, 2023 which was paid during the year and final dividend of ₹ 1 per share which was approved by the members of the company in the ensuing AGM dated September 23, 2023 and was paid on October 20, 2023 i.e. FY2023-24.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see the section entitled “**Statement of Financial Indebtedness**” on page 168 of this Draft Red Herring Prospectus.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no guarantee that any dividends will be declared or paid or the amount thereof will be decreased in the future.

**SECTION VI- FINANCIAL INFORMATION OF THE COMPANY**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL STATEMENTS**

To  
**The Board of Directors**  
**Unilex Colours and Chemicals Limited**  
106-107, Advent Atria,  
Chincholi Bunder Road, Malad (West),  
Mumbai-400064, Maharashtra, India

Dear Sirs,

1. We have examined the attached restated financial statements of **UNILEX COLOURS AND CHEMICALS LIMITED** (hereinafter referred to as "**the Company**") comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended March 31, 2024, March 31, 2023 and March 31, 2022, 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 26<sup>th</sup> June, 2024, 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 part I of chapter III 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 Mittal & 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 20 May, 2024 valid till 31 May, 2027. 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 October 23, 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 Audited Financial Statements of the company as at and for the year ended March 31, 2024, 31st March, 2023 and 31st March, 2022 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.
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 March 31, 2024, March 31, 2023, and March 31, 2022 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 March 31, 2024, March 31, 2023, and March 31, 2022 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 March 31, 2024, March 31, 2023, and March 31, 2022 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 years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; 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 year ended on March 31, 2024, March 31, 2023 and March 31, 2022 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. Other non-current assets 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 XIV to this report;
  29. Other expenses as restated as appearing in ANNEXURE XXVIII to this report;
  30. Contingent liabilities as restated as appearing in ANNEXURE XXIX to this report;
  31. Information in respect of CSR expenditure required to be spent by the company in Annexure XXX
  32. Related party transactions as restated as appearing in ANNEXURE XXXI to this report;
  33. Tax shelter as restated as appearing in ANNEXURE XXXII to this report;
  34. Capitalisation statement as at 31st March, 2024 as restated as appearing in ANNEXURE XXXIII to this report;
  35. 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 Mittal & Associates**

Chartered Accountants

Firm Registration no: 106456W

Sd/-

**Hemant Bohra**

**Partner**

**Membership No.: 165667**

**UDIN: 24165667BKEZFF1471**

**Place: Mumbai**

**Date: 26<sup>th</sup> June, 2024**

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

(₹ in lakhs)

Particulars	Annexure	As at March 31,		
		2024	2023	2022
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholder's Funds</b>				
(a) Share Capital	V	1,001.70	333.90	333.90
(b) Reserves and Surplus	VI	2,684.30	2,868.99	2,472.08
<b>(2) Share Application Money Pending Allotment</b>		-	-	-
<b>(3) Non-Current Liabilities</b>				
(a) Long-Term Borrowings	VII	15.10	17.44	-
(b) Deferred Tax Liability (Net)	VIII	15.15	15.23	23.53
(c) Long Term provision	IX	23.53	20.93	17.57
(d) Other long-term Liabilities		-	-	-
<b>(4) Current Liabilities</b>				
(a) Short Term Borrowing	X	2,146.29	1,149.39	1,135.09
(b) Trade Payables	XI	2,796.06	2,458.40	3,390.66
(c) Other Current Liabilities	XII	292.35	122.38	184.08
(d) Short-Term Provisions	XIII	93.85	85.66	112.92
<b>Total</b>		<b>9,068.35</b>	<b>7,072.31</b>	<b>7,669.84</b>
<b>II. ASSETS</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant and Equipment and Intangible Assets				
(i) Property, Plant and Equipment	XIV	1,127.84	1,132.55	1,126.34
(ii) Intangible Assets				
(iii) Capital Work-in-Progress				
(b) Non-Current Investment		-	-	-
(c) Deferred Tax Assets (net)		-	-	-
(d) Long-term loans and advances		-	-	-
(e) Other non-current assets	XV	71.11	40.92	43.55
<b>(2) Current Assets</b>				
(a) Current investments		-	-	-
(b) Inventories	XVI	1,758.69	1,453.02	1,955.53
(c) Trade receivables	XVII	4,442.17	3,387.77	3,323.64
(d) Cash and Cash Equivalents	XVIII	436.62	102.98	61.48
(e) Short-Term Loans And Advances	XIX	702.09	630.43	489.39
(f) Other Current Assets	XX	529.83	324.64	669.90
<b>Total</b>		<b>9,068.35</b>	<b>7,072.31</b>	<b>7,669.84</b>

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

(₹ in lakhs)

Sr. No.	Particulars	Annexure No.	For the year ended March 31,		
			2024	2023	2022
<b>A</b>	<b>Revenue:</b>				
	Revenue From Operations (Net of Taxes)	XXI	14,385.01	13,939.03	14,527.46
	Other Income	XXII	547.87	502.81	629.26
	<b>Total Revenue</b>		<b>14,932.88</b>	<b>14,441.84</b>	<b>15,156.73</b>
	<b>Expenses:</b>				
<b>B</b>	Cost of Material Consumed	XXIII	3,168.57	4,388.17	3,896.48
	Purchase Of Stock in Trade	XXIV	9,774.02	7,813.30	9,948.76
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	XXV	-224.27	257.79	-501.48
	Employee benefit expenses	XXVI	456.04	469.55	418.72
	Financial Cost	XXVII	100.84	79.99	67.79
	Depreciation and amortization expenses	XIV	60.21	56.98	52.92
	Others Expenses	XXVIII	769.12	718.12	638.61
	<b>Total Expenses</b>		<b>14,104.53</b>	<b>13,783.90</b>	<b>14,521.80</b>
<b>C</b>	<b>Profit before exceptional, extraordinary items and tax</b>		<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
	Less: Exceptional Items		-	-	-
	<b>Profit before extraordinary items and tax (A-B)</b>		<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
	Extra ordinary items		-	-	-
<b>D</b>	<b>Profit before tax</b>		<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
	Tax expense:				
	Current tax		211.75	169.17	161.01
	Tax Related to Earlier year		-	-	-
	Deferred Tax		-0.07	-8.30	2.75
	<b>Profit/(Loss) for the period After Tax- PAT</b>		<b>616.67</b>	<b>497.07</b>	<b>471.17</b>
	No. of Shares		10,017,000	10,017,000	10,017,000
<b>E</b>	Earning per Equity Share: Basic/Diluted				
	(1) Basic		6.16	4.96	4.70
<b>F</b>	(2) Diluted		6.16	4.96	4.70



**ANNEXURE – III**  
**STATEMENT OF CASH FLOW AS RESTATED**

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
<b>Cash Flow from Operating Activities:</b>			
Net Profit before tax as per Profit and Loss A/c	828.35	657.94	634.93
<b>Adjustments for:</b>			
Depreciation & Amortisation Expense	60.21	56.98	52.92
Interest Income	-25.69	-2.13	-1.53
Finance Cost	89.87	62.63	40.74
Difference in opening balance	-	-	17.80
<b>Operating Profit Before Working Capital Changes</b>	<b>952.75</b>	<b>775.43</b>	<b>744.85</b>
Adjusted for (Increase)/ Decrease in:			
Short term provision	8.19	-27.26	-57.08
Trade Receivables	-1,054.40	-64.13	-575.27
Inventories	-305.67	502.52	-707.59
Other current assets	-205.19	345.26	-669.90
Long Term Provisions	2.61	3.36	17.57
Other non-current assets	-30.19	2.64	-43.55
Trade Payables	337.66	-932.26	640.12
Short Term Advance	-71.67	-141.04	152.78
Other Current Liabilities	169.97	-61.71	129.39
<b>Cash Generated From Operations</b>	<b>-195.94</b>	<b>402.80</b>	<b>-368.69</b>
Appropriation of Profit	-	-	-
Net Income Tax paid/ refunded	-211.75	-169.17	-184.69
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>-407.70</b>	<b>233.64</b>	<b>-553.38</b>
<b>Cash Flow From Investing Activities:</b>			
Net (Purchases)/Sales of Fixed Assets (including capital work in progress)	-55.49	-63.19	-90.29
Interest Income	25.69	2.13	1.53
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>-29.80</b>	<b>-61.07</b>	<b>-88.76</b>
<b>Cash Flow from Financing Activities:</b>			
Net Increase/(Decrease) in Long Term Borrowings	-2.34	17.44	-17.69
Net Increase/(Decrease) in Short Term Borrowing	996.91	14.30	477.64
Dividend Paid	-133.56	-100.17	-100.17
Interest on borrowings	-89.87	-62.63	-40.74
<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>771.14</b>	<b>-131.06</b>	<b>319.05</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	333.64	41.51	-323.10
Cash & Cash Equivalents As At Beginning of the Year	102.98	61.48	384.57
Cash & Cash Equivalents As At End of the Year	<b>436.62</b>	<b>102.98</b>	<b>61.48</b>

Notes:

**1. Components of Cash & Cash Equivalents**

	For the year ended March 31,		
	2024	2023	2022
Cash on Hand	1.59	1.23	1.79
Bank Balance	9.59	94.97	53.24
Fixed Deposits (Maturity Less than 3 Months)	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	425.44	6.78	6.44
<b>Total</b>	<b>436.62</b>	<b>102.98</b>	<b>61.48</b>

2. Cash flows are Reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future receipts and payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

**ANNEXURE – IV**

**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL INFORMATION**

**COMPANY OVERVIEW**

Unilex Colours And Chemicals Limited was, incorporated on 23<sup>rd</sup> March, 2001 and is engaged in the business of manufacturing and dealing in Dyes & Pigments and Food Colours.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of preparation of Restated Financial Statements:**

The Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 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. 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 recognized in the period in which the results are known / materialized.

**C. 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.

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 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 Straight-Line Method (SLM) 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 First in First out 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 recognized 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): -

(₹ In Lakhs)

Revenue from Operations	FY 2023-24	% of revenue from operations	FY 2022-23	% of revenue from operations	FY 2021-22	% of revenue from operations
India	2,957.64	20.56%	1,618.87	11.61%	1,686.21	11.61%
Vietnam	2,430.21	16.89%	1,543.44	11.07%	1,531.02	10.54%
U.A.E.	1,215.15	8.45%	313.77	2.25%	164.99	1.14%
Nigeria	994.73	6.92%	1,057.23	7.58%	1,067.69	7.35%
Poland	945.93	6.58%	726.21	5.21%	281.08	1.93%
Brazil	610.62	4.24%	1,085.36	7.79%	281.82	1.94%
USA	522.39	3.63%	133.75	0.96%	243.17	1.67%
Netherlands	483.85	3.36%	835.33	5.99%	502.03	3.46%
Russia	431.00	3.00%	982.91	7.05%	390.29	2.69%

Revenue from Operations	FY 2023-24	% of revenue from operations	FY 2022-23	% of revenue from operations	FY 2021-22	% of revenue from operations
Spain	393.15	2.73%	455.98	3.27%	583.32	4.02%
Others	3,400.34	23.64%	5,186.18	37.22%	7,795.84	53.65%
<b>Total</b>	<b>14,385.01</b>	<b>100.00%</b>	<b>13,939.03</b>	<b>100.00%</b>	<b>14,527.46</b>	<b>100.00%</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:

(₹ In Lakhs)

Details of Gratuity Expenses	2023-24	2022-23	2021-22
<b>Profit and loss account for the period</b>			
Current service cost	6.87	7.67	7.52
Interest on obligation	7.73	7.30	6.54
Expected return on plan assets	-	-	-
Net actuarial loss/(gain)	(11.61)	(8.30)	(3.59)
Recognized Past Service Cost-Vested	-	-	-
Benefits paid	-	-	-
Loss (gain) on curtailments	-	-	-
<b>Total included in 'Employee Benefit Expense'</b>	<b>2.99</b>	<b>6.67</b>	<b>10.47</b>
prior year charge			
<b>Total Charge to P&amp;L</b>			
<b>Reconciliation of defined benefit obligation</b>			
Opening Defined Benefit Obligation	106.59	100.72	90.25
Transfer in/(out) obligation	-	-	-
Current service cost	6.87	7.67	7.52
Interest cost	7.72	7.30	6.54
Actuarial loss (gain)	(11.61)	(8.31)	(3.59)
Past service cost	-	-	-
Benefits paid	-	(0.80)	-
prior year charge			
<b>Closing Defined Benefit Obligation</b>	<b>109.58</b>	<b>106.59</b>	<b>100.72</b>
<b>Table of experience adjustments</b>			
Defined Benefit Obligation	(11.61)	(8.30)	(3.59)
Plan Assets	-	-	-
<b>Surplus/(Deficit)</b>	<b>(11.61)</b>	<b>(8.30)</b>	<b>(3.59)</b>
<b>Reconciliation of plan assets</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>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
<b>Reconciliation of net defined benefit liability</b>			
Net opening provision in books of accounts	106.59	100.72	90.25
-Transfer in/(out) obligation	-	-	-
Transfer (in)/out plan assets	-	-	-
Employee Benefit Expense	2.99	6.67	10.47
Benefits paid by the Company	-	(0.80)	-
Contributions to plan assets	-	-	-
<b>Closing provision in books of accounts</b>	<b>109.58</b>	<b>106.59</b>	<b>100.72</b>
<b>Bifurcation of liability</b>			
Current Liability	86.04	85.66	83.15
Non-Current Liability	23.53	20.93	17.57
<b>Net Liability</b>	<b>109.57</b>	<b>106.59</b>	<b>100.72</b>
<b>Principle actuarial assumptions</b>			
Discount Rate	7.25%	7.25%	7.25%
Expected Return on Plan Assets	N.A.	N.A.	N.A.

Details of Gratuity Expenses	2023-24	2022-23	2021-22
Salary Escalation Rate	5%	5%	5%
Withdrawal Rates (p.a.)			

## 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-XXXI of the enclosed financial statements.

### 4. Auditors' Remuneration :

(₹ In Lakhs)

Particulars	For the Year Ended		
	2023-24	2022-23	2021-22
Statutory & Tax Audit fees	2.00	2.50	1.25
<b>Total</b>	<b>2.00</b>	<b>2.50</b>	<b>1.25</b>

5. Figures have been rearranged and regrouped wherever practicable and considered necessary.

6. 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.

7. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

### 8. 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.

### 9. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### 10. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.

### 11. 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. 2023-24, 2022-23 and 2021-22 which requires adjustments in restated financial statements.

### 12. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.

## RECONCILIATION OF RESTATED PROFIT:

(₹ In Lakhs)

Adjustments for	For the Year Ended		
	2023-24	2022-23	2021-22
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	616.67	569.56	459.62
<b>Adjustments for:</b>			
Bank Interest	-	0.73	-1.02
Short/(Excess) Provision Of tax	-	38.60	10.14

Adjustments for	For the Year Ended		
	2023-24	2022-23	2021-22
Deferred Tax	-	17.95	-5.98
Provision for Gratuity	-	-5.87	-10.47
Insurance Expenses	-	0.45	2.58
Export Incentives	-	-124.35	16.30
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>616.67</b>	<b>497.07</b>	<b>471.17</b>

1. Interest on the Loan has been booked in the respective year.
2. 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.
3. Due to changes in Gratuity provision the deferred tax component on the same has also undergone change.
4. 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.
5. Insurance Expenses has been booked in the respective year.
6. Export Incentives has been booked in the respective year.

**RECONCILIATION OF EQUITY AND RESERVES:**

(₹ in lakhs)

Adjustments for	For the Year Ended		
	2023-24	2022-23	2021-22
Equity and Reserve as per Audited Balance sheet	3,686.00	3,247.24	2,777.84
<b>Adjustments for:</b>			
Difference Due to Change in P&L	-	-72.49	11.55
Prior period Adjustments (Refer Note-1)	-	28.14	16.59
<b>Equity and Reserve as per Re-stated Balance sheet</b>	<b>3,686.00</b>	<b>3,202.89</b>	<b>2,805.98</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.

**ANNEXURE- V**  
**DETAILS OF SHARE CAPITAL AS RESTATED**

(₹ In Lakhs, Except no of share)

Particulars	As at March 31,		
	2024	2023	2022
<b>EQUITY SHARE CAPITAL:</b>			
<b>AUTHORISED:</b>			
1,50,00,000 Equity shares of ₹ 10 each	1500.00	500.00	500.00
	<b>1500.00</b>	<b>500.00</b>	<b>500.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
1,00,70,000 Equity Shares of ₹10/- each	1,001.70	333.90	333.90
	<b>1,001.70</b>	<b>333.90</b>	<b>333.90</b>
<b>Reconciliation of number of shares outstanding at the end of the year:</b>			
Equity Shares at the beginning of the year	3,339,000	3,339,000	3,339,000
Add: Shares issued during the year	6,678,000	-	-
<b>TOTAL</b>	<b>10,017,000</b>	<b>3,339,000</b>	<b>3,339,000</b>

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Particulars	As at March 31, 2024	
	No. of share	% of Holding
Purushottam Brijlal Sharma	858,000	8.57%
Aditya Sharma	2,253,000	22.49%
Manojkumar Shyamsunder Sharma	2,250,000	22.46%
Rohit Krishnakumar Sharma	2,250,000	22.46%
Kabir Radheyshyam Sharma	2,250,000	22.46%
<b>Total</b>	<b>9,861,000</b>	<b>98.44%</b>

Particulars	As at 31 March 2023	
	No. of share	% of Holding
Purushottam Brijlal Sharma	286,000	8.57%
Aditya Sharma	751,000	22.49%
Manojkumar Shyamsunder Sharma	750,000	22.46%
Rohit Krishnakumar Sharma	750,000	22.46%
Kabir Radheyshyam Sharma	750,000	22.46%
<b>Total</b>	<b>32,87,000</b>	<b>98.44%</b>

Particulars	As at 31 March, 2022	
	No. of share	% of Holding
Purushottam Brijlal Sharma	286,000	8.57%
Aditya Sharma	751,000	22.49%
Manojkumar Shyamsunder Sharma	750,000	22.46%
Rohit Krishnakumar Sharma	750,000	22.46%
Kabir Radheyshyam Sharma	750,000	22.46%
<b>Total</b>	<b>3,287,000</b>	<b>98.44%</b>

**Change in the Shareholding & Percentage Change -**

Particulars	As at March 31, 2024		
	No. of share	% of Holding	Change of % During the year
Aditya Sharma	22,53,000	22.49%	200%
Manojkumar Shyamsunder Sharma	22,50,000	22.46%	200%
Rohit Krishnakumar Sharma	22,50,000	22.46%	200%
Kabir Radheyshyam Sharma	22,50,000	22.46%	200%
Purushottam Brijlal Sharma	8,58,000	8.57%	200%
Narendra Parameswarappa Kotehall	1,44,000	1.44%	200%
<b>Total</b>	<b>1,00,05,000</b>	<b>99.88%</b>	



Particulars	As at March 31, 2023		
	No. of share	% of Holding	Change of % During the year
Aditya Sharma	7,51,000	22.49%	-
Manojkumar Shyamsunder Sharma	7,50,000	22.46%	-
Rohit Krishnakumar Sharma	7,50,000	22.46%	-
Kabir Radheyshyam Sharma	7,50,000	22.46%	-
Purushottam Brijlal Sharma	2,86,000	8.57%	-
Narendra Parameswarappa Kotehall	48,000	1.44%	-
<b>Total</b>	<b>33,35,000</b>	<b>99.88%</b>	

Particulars	As at March 31, 2022		
	No. of share	% of Holding	Change of % During the year
Aditya Sharma	7,51,000	22.49%	75000%
Manojkumar Shyamsunder Sharma	7,50,000	22.46%	100%
Rohit Krishnakumar Sharma	7,50,000	22.46%	100%
Kabir Radheyshyam Sharma	7,50,000	22.46%	100%
Purushottam Brijlal Sharma	2,86,000	8.57%	-90.09%
Narendra Parameswarappa Kotehall	48,000	1.44%	-89.29%
<b>Total</b>	<b>33,35,000</b>	<b>99.88%</b>	

**ANNEXURE – VI  
DETAILS OF RESERVE & SURPLUS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>Securities Premium</b>			
Opening Balance	19.00	19.00	19.00
Add:- Addition During the Year	-	-	-
Less:- Utilized For Issuing the bonus share	-19.00		
<b>Closing Balance</b>	<b>0.00</b>	<b>19.00</b>	<b>19.00</b>
<b>General Reserve</b>			
Opening balance	-	-	-
Add/Less: Changes during the year	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus :-</b>			
Opening Balance	2,849.99	2,453.08	2,065.49
Add - Current Year profit	616.67	497.07	471.17
Less: Dividend	-133.56	-100.17	-100.17
Less: Utilize for bonus share issue	-648.80	-	-
Less: Gratuity	-	-	-90.25
Less: Deferred Tax	-	-	22.47
Add/Less: Tax Refund Related to Earlier year	-	-	-23.68
Add/Less: Export Incentives Related to Earlier Years	-	-	108.05
<b>Closing Balance</b>	<b>2,684.30</b>	<b>2,849.99</b>	<b>2,453.08</b>
<b>TOTAL</b>	<b>2,684.30</b>	<b>2,849.99</b>	<b>2,453.08</b>

**ANNEXURE – VII  
DETAILS OF LONG-TERM BORROWING AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>Secured Loans</b>			
<b>From Banks</b>			
Car Loan	17.46	19.59	7.39
Less: Current Maturity of Long-Term Borrowing	-2.36	-2.15	-7.39
<b>TOTAL</b>	<b>15.10</b>	<b>17.44</b>	<b>-</b>

The terms and conditions and other information in respect of Secured Loans are given in annexure VII(A).

## ANNEXURE VII(A)

## Statement of Principal Terms of Secured &amp; Unsecured Loans and Assets Charged as Security

**Secured Loans**

(₹ In Lakhs)

Sr. No.	Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
1	ICICI BANK (CC)	For the purpose of Working Capital	850.00	9.60%	Refer Note A	Repayable on Demand	-	470.93	147.24	183.38
2	ICICI BANK (EPC)	For the purpose of Working Capital		9.50%	Refer Note A	Repayable on Demand	-	250.00	300.00	
3	Bank of India (CC)	For the purpose of Working Capital	300.00	9.90%	Refer Note B	Repayable on Demand	-	270.70	-	244.32
4	Bank of India (EPC)	For the purpose of Working Capital	1,000.00	9.90%	Refer Note B	Repayable on Demand	-	650.00	700.00	700.00
5	Bank of India (OD)	For the purpose of Working Capital	360.00	7.75%	Refer Note C	Repayable on Demand	-	355.46	-	-
6	Kotak Mahindra Bank(CC)	For the purpose of Working Capital	500.00	Repo+2.25%	Refer Note D	Repayable on Demand	-	146.85	-	-
7	ICICI Bank	Car Loan	30.00	7.10%	Hypothecation of Car	36 Instalments of ₹ 95,398 each	-	-	-	7.39
8	BOI	Car Loan	19.94	8.85%	Hypothecation of Car	84 Instalments of ₹ 31,931 each	1 month	17.46	19.59	-
					<b>TOTAL</b>			<b>2,161.40</b>	<b>1,166.83</b>	<b>1,135.09</b>

**Note – A Security, Hypothecation & Guarantee Detail of ICICI Bank CC & EPC:**

- Pari Passu charge with Bank of India in favour of the ICICI Bank by way of hypothecation of the firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank.
- Unconditional and irrevocable personal Guarantee from:
  - Mr Purushottam Sharma
  - Mr. Narendra K.P
  - Mr. Aditya Sharma
- Financial Guarantee of Unisynth Chemicals
- For cross collateral, extension of charge by way of equitable mortgage, in a form and manner satisfactory to the Bank, on the properties taken in and having aggregate value as below:

**Industrial Property**

Plot No E-10/2 MIDC Tarapur Industrial Area Navapur Road Near Kamboli Naka Thane MAHARASHTRA -401506 owned by Unilex Colours and Chemicals Limited ₹ 302.80 Lakhs

**Commercial Property**

Office No. 501 Quantum Towers Malad East Ram Buag, Off S. V. Road Mumbai Maharashtra-400064 owned by Unisynth Chemicals ₹ 770.20 Lakhs

**Note – B Security, Hypothecation & Guarantee Detail of Bank of India CC & EPC:**

1. Pari-Passu first charge by way Hypothecation of company's entire stock (including raw materials, semi- finished, and finished goods. consumable stores and spares) and book debts, both present and future, along with ICICI bank.
2. Collateral Security:
  - a) Property — 1: Exclusive charge by way of EQM of property situated at Flat No. 1401, 14th Floor, D Wing, Imperial Heights, Goregaon Malad Link Road, Goregaon West, Mumbai-400 104 in the name of Mr. Manojkumar S. Sharma and Smt. Sunita Manoj Sharma, Carpet area: 1863 sq. ft.
  - b) Property — 2: Exclusive charge by way of EQM of property situated at Flat No. 1103, 11th Floor, B Wing, Vini Tower, Sunder Nagar, Malad West, Mumbai-400 064 in the name of Shri Purushottam Brijlal Sharma and Mr. Aditya Sharma, Carpet area: 1226 sq. ft.
3. Guarantor:
  - Shri Purushottam Brijlal Sharma
  - Shri Narendra K.P.
  - Mr. Aditya Sharma
  - Mr. Manojkumar S. Sharma
  - Smt. Sunita Manoj Sharma

**Note – C Security, Hypothecation & Guarantee Detail of Bank of India OD:**

OD against deposit of ₹ 400.00 Lakhs

**Note – D Security, Hypothecation & Guarantee Detail of Kotak Mahindra Bank:**

1. Hypothecation:

Pari-passu charge on existing and future CA and MFA with ICICI Bank and Bank of India (excluding those exclusively funded by ICICI Bank and Bank of India)
2. Mortgage:
  - First pari-passu Equitable/Registered mortgage charge on Office No. 501, 5th Floor, Quantum Towers, Ram Baug Road, Behind Petrol Pump, Malad (East) - 400064 belonging to Unisynth Chemicals.
  - First pari-passu Equitable/Registered mortgage charge on Plot No. E-10/2, Tarapur Industrial Area, MIDC, Nirlon Road, Boisar, Taluka and Dist. Palghar - 401506 belonging to the Borrower.
  - Commercial property at Office No. 501, 5th Floor, Quantum Towers is cross-collateralized in Unilex Colours and Chemicals Ltd & Unisynth Chemicals.
3. Personal Guarantee
  - Personal Guarantees of Mr. Purshottam Sharma, Mr. Narendra K.P. and Mr Aditya Sharma
4. Corporate Guarantee
  - Corporate Guarantee of M/s Unisynth Chemicals

**ANNEXURE – VIII  
DETAILS OF DEFERRED TAX LIABILITY/(ASSETS) AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
Deferred Tax Liability/(Assets)	15.15	15.23	23.53
<b>TOTAL - Deferred tax liability/(asset)</b>	<b>15.15</b>	<b>15.23</b>	<b>23.53</b>

**ANNEXURE – IX  
DETAILS OF LONG-TERM PROVISION AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>Provision for Employee Benefits</b>			
Provision for Gratuity	23.53	20.93	17.57
<b>TOTAL</b>	<b>23.53</b>	<b>20.93</b>	<b>17.57</b>

**ANNEXURE – X  
DETAILS OF SHORT-TERM BORROWING AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>Secured Loan</b>			
<b>From Bank</b>			
(a) Loan repayable on Demand/OD from Bank	2,143.94	1,147.24	1,127.70
(b) Current Maturity of Long-term borrowing-Car Loan	2.36	2.15	7.39
<b>Total</b>	<b>2,146.29</b>	<b>1,149.39</b>	<b>1,135.09</b>

The terms and conditions and other information in respect of Secured Loans are given in annexure VII(A)

**ANNEXURE – XI  
DETAILS OF TRADE PAYABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
Total outstanding dues of micro, small and medium enterprises	2,672.21	2,127.84	3,239.79
Total outstanding dues of creditors other than micro, small and medium enterprises	123.85	330.56	150.87
<b>TOTAL</b>	<b>2,796.06</b>	<b>2,458.40</b>	<b>3,390.66</b>

for Trade Payable Aging see Annexure XI(A)

**Annexure - XI(A) Ageing Analysis of Trade Payables as Restated**

(₹ 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, 2024</b>					
1	MSME	2,672.17	-	0.05	-	2,672.21
2	Others	123.55	0.30	-	-	123.85
3	Disputed dues – MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
	<b>Total</b>					<b>2,796.06</b>
	<b>As at 31st March, 2023</b>					
1	MSME	2,127.15	0.69	-	-	2,127.84
2	Others	330.52	0.04	-	-	330.56
3	Disputed dues – MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
	<b>Total</b>					<b>2,458.40</b>
	<b>As at 31st March, 2022</b>					
1	MSME	3,237.61	-	2.18	-	3,239.79
2	Others	150.87	-	-	-	150.87
3	Disputed dues – MSME	-	-	-	-	-
4	Disputed dues - Others	-	-	-	-	-
	<b>Total</b>					<b>3,390.66</b>

**ANNEXURE – XII**  
**DETAILS OF OTHER CURRENT LIABILITES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
TDS and TCS Payable	7.44	6.74	16.71
PF Payable	0.43	0.32	0.25
ESIC Payable	0.13	0.12	0.05
Salary & Wages Payable	5.71	4.10	4.12
Professional Tax Payable	0.23	0.24	1.11
Expenses Payable	110.37	98.95	86.68
Labour Welfare Fund Payable	0.01	-	-
Advance from Customers	168.05	11.90	75.17
<b>TOTAL</b>	<b>292.35</b>	<b>122.38</b>	<b>184.08</b>

**ANNEXURE - XIII**  
**DETAILS OF SHORT-TERM PROVISION AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>Provisions:</b>			
Provision for Income Tax (Net of Advance Tax)	7.81	-	29.77
Provision for Employee Benefits (Gratuity)	86.04	85.66	83.15
<b>Closing Balance</b>	<b>93.85</b>	<b>85.66</b>	<b>112.92</b>

**ANNEXURE XIV**  
**DETAILS OF PROPERTY, PLANT AND EQUIPMENT AS RESTATED**

2021-22

(₹ In Lakhs)

Particulars	Gross Block At Cost				Depreciation				Net Block	
	As On 01.04.2021	Addition During the Year	Deduction During the Year	Balance As On 31.03.2022	Up To 01.04.2021	For The Year	Adjustment/ Deduction for The Year	Balance As On 31.03.2022	As On 31.03.2022	As On 31.03.2021
Land	545.56	31.02	-	576.58	-	-	-	-	576.58	545.56
Factory Building	129.70	2.36	-	132.06	24.83	4.11	-	28.93	103.13	104.88
Plant & Machinery	769.01	55.15	-	824.16	394.61	38.07	-	432.67	391.49	374.41
Computer	3.95	0.26	-	4.20	3.48	0.18	-	3.66	0.54	0.46
E.T.P. Plant	2.25	-	-	2.25	2.14	-	-	2.14	0.11	0.11
Furniture & Fixture	3.99	-	-	3.99	2.31	0.29	-	2.60	1.39	1.68
Vehicles	103.62	-	-	103.62	43.20	9.79	-	52.99	50.63	60.42
Office Equipments	3.25	1.51	-	4.76	1.81	0.48	-	2.29	2.47	1.44
<b>TOTAL</b>	<b>1,561.33</b>	<b>90.29</b>	<b>-</b>	<b>1,651.62</b>	<b>472.37</b>	<b>52.92</b>	<b>-</b>	<b>525.28</b>	<b>1,126.34</b>	<b>1,088.96</b>

2022-23

(₹ In Lakhs)

Particulars	Gross Block At Cost				Depreciation				Net Block	
	As On 01.04.2022	Addition During The Year	Deduction During The Year	Balance As On 31.03.2023	Up To 01.04.2022	For The Year	Adjustment/ Deduction For The Year	Balance As On 31.03.2023	As On 31.03.2023	As On 31.03.2022
Land	576.58	-	-	576.58	-	-	-	-	576.58	576.58
Factory Building	132.06	-	-	132.06	28.93	4.13	-	33.07	99.00	103.13
Plant & Machinery	824.16	40.39	-	864.55	432.67	41.81	-	474.48	390.07	391.49
Computer	4.20	-	-	4.20	3.66	0.16	-	3.83	0.38	0.54
E.T.P. Plant	2.25	-	-	2.25	2.14	-	-	2.14	0.11	0.11
Furniture & Fixture	3.99	-	-	3.99	2.60	0.26	-	2.86	1.13	1.39
Vehicles	103.62	22.81	-	126.43	52.99	9.98	-	62.97	63.46	50.63
Office Equipments	4.76	-	-	4.76	2.29	0.64	-	2.92	1.84	2.47
<b>TOTAL</b>	<b>1,651.62</b>	<b>63.19</b>	<b>-</b>	<b>1,714.82</b>	<b>525.28</b>	<b>56.98</b>	<b>-</b>	<b>582.26</b>	<b>1,132.55</b>	<b>1,126.34</b>

2023-24

(₹ In Lakhs)

Particulars	Gross Block At Cost				Depreciation			Net Block		
	As On 01.04.2023	Addition During the Year	Deduction During the Year	Balance As On 31.03.2024	Up To 01.04.2023	For The Year	Adjustment/ Deduction for The Year	Balance As On 31.03.2024	As On 31.03.2024	As On 31.03.2023
Land	576.58	-	-	576.58	-	-	-	-	576.58	576.58
Factory Building	132.06	-	-	132.06	33.07	4.15	-	37.22	94.84	99.00
Plant & Machinery	864.55	51.41	-	915.96	474.48	42.55	-	517.04	398.92	390.07
Computer	4.20	1.93	-	6.13	3.83	0.53	-	4.35	1.78	0.38
E.T.P. Plant	2.25	-	-	2.25	2.14	-	-	2.14	0.11	0.11
Furniture & Fixture	3.99	-	-	3.99	2.86	0.29	-	3.15	0.84	1.13
Vehicles	126.43	-	-	126.43	62.97	11.99	-	74.95	51.48	63.46
Office Equipment's	4.76	2.16	-	6.91	2.92	0.70	-	3.63	3.29	1.84
<b>TOTAL</b>	<b>1,714.82</b>	<b>55.49</b>	<b>-</b>	<b>1,770.31</b>	<b>582.26</b>	<b>60.21</b>	<b>-</b>	<b>642.48</b>	<b>1,127.84</b>	<b>1,132.55</b>

**ANNEXURE – XV  
DETAILS OF OTHER NON-CURRENT ASSETS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
Security Deposits	71.11	40.92	43.55
<b>TOTAL</b>	<b>71.11</b>	<b>40.92</b>	<b>43.55</b>

**ANNEXURE – XVI  
DETAILS OF INVENTORIES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>Inventories</b>			
Finished Goods	1,392.81	1,168.54	1,426.33
Raw-Material	304.79	239.05	493.62
Packing & Laboratory Material	59.45	42.64	31.17
Power & Fuel	1.64	2.78	44.41
<b>TOTAL</b>	<b>1,758.69</b>	<b>1,453.02</b>	<b>1,955.53</b>

**ANNEXURE – XVII  
DETAILS OF TRADE RECEIVABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
<b>Outstanding for a period more than 6 months</b>			
Unsecured, considered good	530.86	462.10	142.35
<b>Outstanding for a period less than 6 months</b>			
Others - unsecured, considered good	3,911.31	2,925.67	3,181.29
<b>Doubtful</b>			
Less: Provision for bad and doubtful debts	-	-	-
<b>TOTAL</b>	<b>4,442.17</b>	<b>3,387.77</b>	<b>3,323.64</b>

For Trade Receivable Aging see annexure XVII(A)

## Annexure -XVII(A)

## Ageing Analysis of Trade Receivables as Restated

(₹ 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	
	<b>As at 31st March, 2024</b>						
1	Undisputed Trade Receivables- considered good	3,911.31	289.97	192.14	-	48.75	4,442.17
2	Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
3	Disputed Trade Receivables- considered good	-	-	-	-	-	-
4	Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-
	<b>Total</b>						<b>4,442.17</b>
	<b>As at 31st March, 2023</b>						
1	Undisputed Trade Receivables- considered good	2,925.67	376.55	31.71	5.57	48.27	3,387.77
2	Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
3	Disputed Trade Receivables- considered good	-	-	-	-	-	-
4	Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-
	<b>Total</b>						<b>3,387.77</b>
	<b>As at 31st March, 2022</b>						
1	Undisputed Trade Receivables- considered good	3,181.29	64.73	5.64	51.18	20.80	3,323.64
2	Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
3	Disputed Trade Receivables- considered good	-	-	-	-	-	-
4	Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-
	<b>Total</b>						<b>3,323.64</b>



**ANNEXURE – XVIII  
DETAILS OF CASH & CASH EQUIVALENTS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
Cash in Hand	1.59	1.23	1.79
Bank Balance- Current Account	9.59	94.97	53.24
Other bank balance	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	425.44	6.78	6.44
<b>Total</b>	<b>436.62</b>	<b>102.98</b>	<b>61.48</b>

**ANNEXURE - XIX  
DETAILS OF SHORT-TERM LOANS & ADVANCES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
Advance to Staff	14.53	22.39	26.71
Advance to Other	5.97	-	-
Advance to Suppliers	681.60	608.04	462.67
<b>TOTAL</b>	<b>702.09</b>	<b>630.43</b>	<b>489.39</b>

**ANNEXURE – XX  
DETAILS OF OTHER CURRENT ASSETS AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
Advance Income Tax (Net of Provision)	-	23.53	-
GST Receivable	469.84	263.51	384.14
Export Incentives Receivables	55.06	34.57	255.56
Interest Subvention Receivable	-	-	27.63
Prepaid Expenses	4.93	3.03	2.58
<b>TOTAL</b>	<b>529.83</b>	<b>324.64</b>	<b>669.90</b>

**ANNEXURE - XXI  
DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Sale of Goods	14,385.01	13,939.03	14,527.46
<b>Total</b>	<b>14,385.01</b>	<b>13,939.03</b>	<b>14,527.46</b>

**ANNEXURE - XXII  
DETAILS OF OTHER INCOME AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Interest	25.69	2.13	1.53
Export Incentives	229.29	255.18	308.78
Commission Received	3.32	-	-
Compensation of non-Supply of goods	8.47	-	-
Job Work Income	-	9.27	62.45
Foreign Currency Fluctuation Gain	279.92	229.22	255.46
Misc. Income	1.17	7.01	1.05
<b>Total</b>	<b>547.87</b>	<b>502.81</b>	<b>629.26</b>

**ANNEXURE – XXIII  
DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Opening stock	284.48	529.21	323.09
Add: Purchase of Raw Material	3,249.97	4,143.44	4,102.60

Particulars	For the year ended March 31,		
	2024	2023	2022
	<b>3,534.45</b>	<b>4,672.64</b>	<b>4,425.69</b>
Less Closing Stock (Raw material)	365.88	284.48	529.21
<b>Cost of Raw Material Consumed</b>	<b>3,168.57</b>	<b>4,388.17</b>	<b>3,896.48</b>
<b>Total</b>	<b>3,168.57</b>	<b>4,388.17</b>	<b>3,896.48</b>

**ANNEXURE – XXIV  
DETAILS OF PURCHASE OF STOCK IN TRADE AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Purchase of Stock in Trade	9,774.02	7,813.30	9,948.76
<b>Total</b>	<b>9,774.02</b>	<b>7,813.30</b>	<b>9,948.76</b>

**ANNEXURE – XXV  
DETAILS OF CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Opening Stock: Finished Goods	1,168.54	1,426.33	924.85
<b>Sub Total</b>	<b>1,168.54</b>	<b>1,426.33</b>	<b>924.85</b>
Less: Closing Stock: Finished Goods	1,392.81	1,168.54	1,426.33
<b>Sub Total</b>	<b>1,392.81</b>	<b>1,168.54</b>	<b>1,426.33</b>
<b>Total</b>	<b>-224.27</b>	<b>257.79</b>	<b>-501.48</b>

**ANNEXURE – XXVI  
DETAILS OF EMPLOYEE BENEFITS EXPENSE AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Salaries & Wages	361.60	370.16	329.49
Directors Remuneration	36.96	36.96	36.96
Staff & Labour Welfare	5.47	22.11	12.99
Employer P.F Contribution	1.85	2.08	1.75
Employer ESIC Contribution	0.94	0.94	0.45
Keyman Insurance	46.23	30.64	26.60
Gratuity Expenses	2.99	6.67	10.47
<b>Total</b>	<b>456.04</b>	<b>469.55</b>	<b>418.72</b>

**ANNEXURE - XXVII  
DETAILS OF FINANCE COST AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Bank Interest	89.87	61.90	41.76
Bank Charges	10.97	18.09	26.03
<b>Total</b>	<b>100.84</b>	<b>79.99</b>	<b>67.79</b>

**ANNEXURE – XIV  
DETAILS OF DEPRECIATION & AMORTIZATION**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
<b>Depreciation &amp; Amortization</b>			
Depreciation & Amortization	60.21	56.98	52.92
<b>Total</b>	<b>60.21</b>	<b>56.98</b>	<b>52.92</b>

**ANNEXURE – XXVIII  
DETAILS OF OTHER EXPENSES AS RESTATED**

(₹ In Lakhs)

Particulars	For the year ended March 31,		
	2024	2023	2022
Electricity Charges	211.73	247.99	230.24
Water Charges	4.90	6.22	6.70
Repair & Maintenance	9.28	16.51	15.40
Job Work Charges	-	43.50	-
Telephone Expenses	1.77	1.70	2.33
Postage & Courier	22.96	22.61	27.05
Office Expenses	0.97	0.93	4.49
Traveling & Conveyance	61.89	41.93	11.86
Printing & Stationery	2.35	3.37	1.70
Misc. Expenses	40.45	12.06	13.37
Audit Fee	2.00	2.50	1.25
Sales Promotion Expenses	22.68	52.02	21.62
Legal & Professional Fees	24.82	23.57	27.23
Insurance Charges	16.74	13.09	8.39
Membership Fees	0.61	1.14	1.19
Forwarding & Transport Charges	293.36	102.45	178.38
Discount, Rebate & Claims	0.96	37.28	1.87
Sales Commission	20.62	54.88	69.10
Office Godown Rent	6.00	6.00	6.00
Penalty on Late Payment of Govt Dues	0.01	0.01	0.37
ECGC Premium	4.27	4.04	-
Donation CSR	13.51	11.01	-
Environment, Pollution and ETP Charges	6.87	9.37	6.39
Security Charges	0.36	3.95	3.69
<b>Total</b>	<b>769.12</b>	<b>718.12</b>	<b>638.61</b>

**ANNEXURE XXIX  
DETAILS OF CONTINGENT LIABILITIES AS RESTATED**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
In Respect of GST	51.97	28.98	-
In Respect of Income Tax & TDS	1.94	1.88	1.88
<b>TOTAL</b>	<b>53.91</b>	<b>30.86</b>	<b>1.88</b>

**ANNEXURE XXX**

**INFORMATION IN RESPECT OF CSR EXPENDITURE REQUIRED TO BE SPENT BY THE COMPANY**

(₹ In Lakhs)

Particulars	As at March 31,		
	2024	2023	2022
Gross Amount required to be spent by the company during the year	13.90	10.61	8.76
Amount of Expenditure incurred	13.51	11.01	-
Shortfall/(Excess) at the end of the year	0.39	-0.40	8.76
Shortfall/(Excess) Contribution C/f	8.76	8.76	8.76
Reason for Shortfall	-	-	Company had been in process of identify CSR expenses
Nature of CSR Activities	Donation to Rohini Educational Society towards promotion of education.	Donation to Omkar Andh Apang Samajik Sanstha towards promotion of education.	-

## ANNEXURE-XXXI

## RELATED PARTY DISCLOSURES

(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
Aditya Sharma	Managing Director
Manojkumar Shyamsunder Sharma	Executive Director
Rohit Krishankumar Sharma	Executive Director
Kabir Radheyshyam Sharma	Executive Director
Purushottam Brijlal Sharma	Executive Director
Narendra Parmeswarappa Kotehall	Executive Director
Daya Amit Bansal	Non-Executive Director
Ketan Damji Saiya	Non-Executive Director
Amit Kumra Mundra	Non-Executive Director
Shankarlal Kedarmal Agarwal	Chief Financial Officer
Gourav Mundra	Company Secretary
Krishnakumar Madanmohan Sharma	Relative of Director
Manjula Sharma	Relative of Director
Radheshyam Brajlal Sharma	Relative of Director
Shyamsunder Briajmohan Sharma	Relative of Director
Namrata Sharma	Relative of Director
Ritu Sharma	Relative of Director
Tanya Manoj Sharma	Relative of Director

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

- Chemi Udyog
- Unisynth Chemicals
- Vardhaman Dye-Stuff Industries Private Limited
- Unisynth Overseas Limited
- Taizhou Xiaqi Import and Export Company Limited

(iii) Details of transactions with related parties and balances

(₹ In Lakhs)

Name	Relationship	Nature of transaction	31 March 2024		31 March 2023		31 March 2022	
			Amount of transaction during the year	Balance as at 31 March 2024 Receivables/(Payables)	Amount of transaction during the year	Balance as at 31 March 2023 Receivables/(Payables)	Amount of transaction during the year	Balance as at 31 March 2022 Receivables/(Payables)
Chemi Udyog	Entity controlled or jointly controlled by Director/Directors	Rent	7.08	(71.58)	7.08	-	7.08	(16.76)
		Purchase	139.19		125.76		75.70	
Unisynth Chemicals	Entity controlled or jointly controlled by Director/Directors	Sales	275.26	-	444.92	-	451.78	117.72
		Purchase	1,011.88		786.25		637.75	
Vardhaman Dye-Stuff Industries Private Limited	Entity controlled or jointly controlled by Director/Directors	Sales	1,102.38	792.48	236.43	502.19	5.11	449.55
		Purchase	2,200.15		839.86		310.25	
Taizhou Xiaqi Import and Export Company Limited	Entity controlled or jointly controlled by Director/Directors	Advance Given	-	220.94	-	-	600.03	-
		Purchase	27.72		-		-	
Unisynth Overseas Limited	Entity controlled or jointly controlled by Director/Directors	Sales	21.32	-	7.55	-	-	-
		Purchase	0.22		-		-	

Name	Relationship	Nature of transaction	31 March 2024		31 March 2023		31 March 2022	
			Amount of transaction during the year	Balance as at 31 March 2024 Receivables/ (Payables)	Amount of transaction during the year	Balance as at 31 March 2023 Receivables/ (Payables)	Amount of transaction during the year	Balance as at 31 March 2022 Receivables/ (Payables)
Krishnkumar Sharma	Relative of Director	Salary	21.12	-	21.12	-	21.12	1.20
		Advance Given	-	-	-	-	1.20	
		Dividend	0.04	-	0.03	-	0.03	
Manjula Sharma	Relative of Director	Salary	11.22	-	11.22	-	11.22	-
		Dividend	0.04	-	0.03	-	0.03	-
Purushottam Brijlal Sharma	Director	Salary	18.48	-	18.48	-	18.48	-
		Dividend	11.44	-	8.58	-	8.58	-
Radhey Shyam Sharma	Relative of Director	Salary	29.70	-	29.70	-	29.70	-
		Dividend	0.04	-	0.03	-	0.03	-
Shyam Sunder Sharma	Relative of Director	Salary	18.48	-	18.48	-	18.48	-
		Dividend	0.04	-	0.03	-	0.03	-
Manojkumar Shyamsunder Sharma	Director	Dividend	30.00	-	22.50	-	22.50	-
Narendra Parmeswarappa Kotehall	Director	Dividend	1.92	-	1.44	-	1.44	-
Aditya Sharma	Director	Dividend	30.04	-	22.53	-	22.53	-
Kabir Radheyshyam Sharma	Director	Salary	11.22	-	11.22	-	11.22	-
		Dividend	30.00	-	22.50	-	22.50	-
Rohit Krishnakumar Sharma	Director	Salary	7.26	-	7.26	-	7.26	-
		Dividend	30.00	-	22.50	-	22.50	-
Namrata Sharma	Relative of Director	Salary	6.10	-	6.25	-	5.54	-
Ritu Sharma	Relative of Director	Salary	11.09	(0.71)	0.82	(0.82)	-	-
Tanya Sharma	Relative of Director	Salary	9.47	-	9.00	0.15	5.81	-
		Advance Given	-	-	0.15	-	-	-
Shankar Lal Agarwal	CFO	Salary	1.97	-	-	-	-	-
Gourav Mundra	Company Secretary	Salary	0.34	(0.34)	-	-	-	-

**ANNEXURE -XXXII  
STATEMENT OF TAX SHELTERS**

(₹ In Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Restated Profit before tax (A)	828.35	657.95	634.93
Tax Rate (%)	25.17%	25.17%	25.17%
MAT Rate	16.69%	16.69%	16.69%
<b>Adjustments:</b>			
Section 36 Provident Fund	-	0.60	1.61
Section 37	-	-	0.48
Depreciation as per CA act, 2013	60.21	56.98	52.92
Gratuity	2.99	6.67	10.47
CSR	13.51	11.43	-
<b>Total Permanent Differences(B)</b>	<b>76.71</b>	<b>75.68</b>	<b>65.47</b>
<b>Timing Differences (C)</b>			
Amount Disallowed during PY and allowed during CY	-	-	-
Depreciation as per Income Tax act	63.71	61.47	60.65
<b>Total Timing Differences (C)</b>	<b>63.71</b>	<b>61.47</b>	<b>60.65</b>
<b>Income consider in House property Head (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2022
Income consider in Other Income (E)	25.69	2.13	2.83
Net Adjustments F = (B+C+D+E)	-12.69	137.15	-4.82
Income chargeable under the head= Other Sources			
Interest Income	25.69	2.13	2.83
	-	-	-
	<b>25.69</b>	<b>2.13</b>	<b>2.83</b>
<b>Gross Total Income</b>	<b>841.36</b>	<b>672.16</b>	<b>639.75</b>
Less: Deduction u/s 80 G	-	-	-
Less : Deduction u/s 80JJAA			
Taxable Income/(Loss) (A+D)	841.36	672.16	639.75
Brought Forward Losses	-	-	-
	841.36	672.16	639.75
<b>Restated Profit for The Purpose of MAT</b>	<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
<b>Less: Adjustment related to Depreciation</b>	-	-	-
<b>Less : Brought Forward Loss</b>			
<b>Add: Amounts Written Back</b>	-	-	-
<b>Taxable Income/(Loss) as per MAT</b>	<b>828.35</b>	<b>657.94</b>	<b>634.93</b>
<b>Income Tax as returned/computed</b>	<b>211.75</b>	<b>169.17</b>	<b>161.01</b>
<b>Tax paid as per normal or MAT</b>	Income Tax	Income Tax	Income Tax

## ANNEXURE -XXXIII

CAPITALIZATION STATEMENT AS AT 31<sup>ST</sup> MARCH, 2024

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	2,146.29	*
Long Term Debt (B)	15.10	*
<b>Total debts (C)</b>	<b>2,161.40</b>	<b>*</b>
<b>Shareholders' funds</b>		
Equity share capital	1,001.70	*
Reserve and surplus - as restated	2,685.19	*
<b>Total shareholders' funds</b>	<b>3,686.00</b>	<b>*</b>
<b>Long term debt / shareholders funds</b>	0.00	*
<b>Total debt / shareholders funds</b>	0.59	*

\* 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.

## ANNEXURE: XXXIV

## RESTATED STATEMENT OF ACCOUNTING RATIOS

## A. Mandatory Ratios

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
EBITDA	430.57	274.01	100.34
Net Profit/(Loss) as Restated	616.67	497.07	471.17
Net Worth	3,686.00	3,202.89	2,805.98
Return on Net worth (%)	16.73%	15.52%	16.79%
Equity Share at the end of year (in Nos.) (Face Value ₹ 10)	10,017,000	10,017,000	10,017,000
Weighted Average No. of Equity Shares (Considering bonus in all previous years)	10,017,000	10,017,000	10,017,000
Basic and Diluted Earnings per Equity Share (Considering bonus in all previous years)	6.16	4.96	4.70
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	36.80	31.97	28.01

Particulars	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
Net Asset Value/Book Value per Equity share (Based on the Weighted Average number of Shares)	36.80	31.97	28.01

Bonus issue of 6678000 Equity Shares of Face Value of ₹ 10/- each in the ratio of 2:1 i.e. Two (2) Bonus Equity Share for every One (1) Equity Shares held by shareholders allotted on March 18, 2024

**Note:**

- The ratios have been computed as below: The Below ratio's have not been annualized for the period ended 31st March, 2024.
  - Basic earnings per share (₹):- 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.
  - Diluted earnings per share (₹) :- 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.
  - Return on net worth (%) :- Net profit after tax (as restated) / Net worth at the end of the period or year.
  - 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.
- 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.
- 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).
- The figures disclosed above are based on the restated summary statements of the Company.
- EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

**B. Additional information to the financial statements:-**

- (i) Value of imports calculated on C.I.F. basis by the company during the financial year in respect of :

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
Import Value	23.19	21.87	-
<b>Total</b>	<b>23.19</b>	<b>21.87</b>	

- (ii) Value of Exports by the Company during the financial Year in respect of:

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
Export Value	11,427.37	12,320.16	12,841.25
<b>Total</b>	<b>11,427.37</b>	<b>12,320.16</b>	<b>12,841.25</b>

**C. RESTATED STATEMENT OF OTHER ACCOUNTING RATIOS**

Sr. No	Ratios	Formula Heads	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
1	Current Ratio (in times) (Current Assets/ Current Liabilities)	Current Assets	7,869.41	5,898.84	6,499.94
		Current Liabilities	5,328.56	3,815.82	4,822.76
		Current Assets/ Current Liabilities	1.48	1.55	1.35
2	Debt Equity Ratio (in times) (Total Debt/ Total Equity)	Total Debt	2,161.40	1,166.83	1,135.09
		Equity	3,686.00	3,202.89	2,805.98
		Total Debt/ Total Equity	0.59	0.36	0.40
3	Debt Service Coverage Ratio (in times) (EBITDA/ Interest Expense + Current payment of Principal amount)	EBITDA	430.57	274.01	100.34
		Interest	89.87	61.90	41.76
		Principal Payment	2.15	7.39	10.30
		EBITDA/ (Interest Expense + Current payment of Principal amount)	4.68	3.95	1.93
4	Return on Equity Ratio (in %) (Profit after tax/ Average Equity)	Profit after tax	616.67	497.07	471.17
		Average Equity	3,444.44	3,004.43	2,620.48
		Profit after tax/ Average Equity	17.90%	16.54%	17.98%

Sr. No	Ratios	Formula Heads	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2022
5	Inventory Turnover Ratio (in times) (Cost of Goods Sold / Average Inventory)	Cost of Goods Sold	12,718.32	12,459.25	13,343.77
Average Inventory		1,605.85	1,704.27	1,601.74	
Cost of Goods Sold / Average Inventory		7.92	7.31	8.33	
6	Trade Receivables Turnover Ratio (in times) (Average Trade Receivables/ Sales)	Revenue from operations	14,385.01	13,939.03	14,527.46
Average Debtors		3,914.97	3,355.71	3,036.01	
Average Trade Receivables/ Sales		3.67	4.15	4.79	
7	Trade Payables Turnover Ratio (in times) (Average Trade Payables/ Net Credit Purchases)	Net Purchases	13,023.99	11,956.74	14,051.36
Average Creditors		2,627.23	2,924.53	3,070.60	
Average Trade Payables/ Net Credit Purchases		4.96	4.09	4.58	
8	Net Capital Turnover Ratio (in times) (Revenue from Operations/Average Working Capital)	Revenue from operations	14,385.01	13,939.03	14,527.46
Average working capital i.e. Total current assets less Total current liabilities		2,311.93	1,880.10	838.59	
Revenue from Operations/Average Working Capital		6.22	7.41	17.32	
9	Net Profit Ratio (in %) (Profit for the year/Revenue from operations)	Profit for the year	616.67	497.07	471.17
Revenue from operations		14,385.01	13,939.03	14,527.46	
Profit for the year/Revenue from operations		4.29%	3.57%	3.24%	
10	Return on Capital Employed (in %) (Profit before tax and interest/ Equity and borrowings)	Earnings Before Interest & Tax (EBIT)	370.36	217.03	47.42
Capital Employed = Total Equity plus non-current and current borrowings plus deferred tax liabilities minus deferred tax assets		5,862.55	4,384.94	3,964.60	
Profit before tax and interest/ Total Equity plus non-current and current borrowings plus deferred tax liabilities minus deferred tax assets		6.32%	4.95%	1.2%	

**D. REASON FOR CHANGE IN THE RATIO**

Sr. No.	Ratios	Formula Heads	Year ended 31.03.2024	Year ended 31.03.2023	Change in Ratio	Reason for Change in the Ratio
1	Current Ratio (in times)	Current Assets/ Current Liabilities	1.48	1.55	-4.47%	NA
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	0.59	0.36	60.96%	The amount of Debt is increased during the year; hence ratio is Increased.
3	Debt Service Coverage Ratio (in times)	EBITDA/ (Interest Expense + Current payment of Principal amount)	4.68	3.95	18.32%	NA
4	Return on Equity Ratio (in %)	Profit after tax/ Average Equity	17.90%	16.54%	8.21%	NA
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	7.92	7.31	8.34%	NA
6	Trade Receivables Turnover Ratio (in times)	Average Trade Receivables/ Sales	3.67	4.15	-11.54%	NA



Sr. No.	Ratios	Formula Heads	Year ended 31.03.2024	Year ended 31.03.2023	Change in Ratio	Reason for Change in the Ratio
7	Trade Payables Turnover Ratio (in times)	Average Trade Payables/ Net Credit Purchases	4.96	4.09	21.25%	NA
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	6.22	7.41	-16.08%	NA
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	4.29%	3.57%	20.21%	NA
10	Return on Capital Employed (in %)	Profit before tax and finance costs/ Equity and borrowings	6.32%	4.95%	27.64%	The amount of EBIT is increased during the year; hence ratio is Increased.

Sr. No.	Ratios	Formula Heads	Year ended 31.03.2023	Year ended 31.03.2022	Change in Ratio	Reason for Change in the Ratio
1	Current Ratio (in times)	Current Assets/ Current Liabilities	1.55	1.35	14.70%	NA
2	Debt Equity Ratio (in times)	Total Debt/ Total Equity	0.36	0.40	-9.94%	NA
3	Debt Service Coverage Ratio (in times)	EBITDA/ (Interest Expense + Current payment of Principal amount)	3.95	1.93	105.18%	As the company Profit Increased compared to last year, hence ratio is Increased.
4	Return on Equity Ratio (in %)	Profit after tax/ Average Equity	16.54%	17.98%	-7.98%	NA
5	Inventory Turnover Ratio (in times)	Cost of Goods Sold / Average Inventory	7.31	8.33	-12.25%	NA
6	Trade Receivables Turnover Ratio (in times)	Average Trade Receivables/ Sales	4.15	4.79	-13.19%	NA
7	Trade Payables Turnover Ratio (in times)	Average Trade Payables/ Net Credit Purchases	4.09	4.58	-10.66%	NA
8	Net Capital Turnover Ratio (in times)	Revenue from Operations/Average Working Capital	7.41	17.32	-57.20%	As the amount of current assets is Increased compared to last year, hence there was change in the ratio.
9	Net Profit Ratio (in %)	Profit for the year/Revenue from operations	3.57%	3.24%	9.95%	NA
10	Return on Capital Employed (in %)	Profit before tax and finance costs/ Equity and borrowings	4.95%	1.20%	313.80%	The amount of EBIT is increased during the year; hence ratio is increased.

**OTHER FINANCIAL INFORMATION**

The Audited Financial Statements of our Company as at and for the ended March 31, 2024, March 31, 2023 and March 31, 2022 and their respective Audit reports thereon are available at <https://unilexcolours.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 this Draft Red Herring Prospectus; or (ii) Red Herring Prospectus or (iii) 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 Restated 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:

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Profit After Tax (₹ In Lakhs)	616.67	497.07	471.17
Basic & Diluted Earnings per Share	6.16	4.96	4.70
Return on Net Worth (%)	16.73%	15.52%	16.79%
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	36.80	31.97	28.01
Net Asset Value/Book Value per Equity share (Based on the Weighted Average number of Shares)	36.80	31.97	28.01
Earnings before interest, tax, depreciation and amortization (EBITDA) (₹ In Lakhs)	430.57	274.01	100.34

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
**The Board of Directors**  
**UNILEX COLOURS AND CHEMICALS LIMITED**  
 106-107, Advent Atria,  
 Chincholi Bunder Road, Malad (West),  
 Mumbai, Maharashtra, India, 400064

Dear Sir,

We, **M/s Mittal & Associates**, Chartered Accountants, are the Statutory Auditors of the Company. We have received a request from the Company to issue a certificate on the Financial Indebtedness of the Company based on restated financial information prepared by the management of the Company.

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **UNILEX COLOURS AND CHEMICALS 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 31<sup>st</sup> March, 2024 are mentioned below.

								(₹ 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 31.03.2024 as per Books
ICICI BANK (CC)	For the purpose of Working Capital	698651200003	850.00	9.60%	Refer Note No. A	On Demand	-	470.93
ICICI BANK (EPC)	For the purpose of Working Capital	195952000005		9.50%	Refer Note No. A	On Demand	-	250.00
Bank of India (CC)	For the purpose of Working Capital	00313011000011	300.00	9.90%	Refer Note No. B	On Demand	-	270.70
Bank of India (EPC)	For the purpose of Working Capital	0031826000004	1,000.00	9.90%	Refer Note No. B	On Demand	-	650.00
Bank of India	OD	003127210000093	360.00	7.75%	Refer Note No. C	On Demand	-	355.46
Kotak Mahindra Bank (CC)	For the purpose of Working Capital	3248679250	500.00	Repo+2.25%	Refer Note No. D	On Demand	-	146.85
Bank of India	Car Loan	003160510000175	19.94	8.85%	Refer Note No. E	84 Instalments of ₹ 31,931 each	1 Month	17.46
<b>Total</b>								<b>2,161.40</b>

**Note – A Security, Hypothecation & Guarantee Detail of ICICI Bank CC & EPC:**

- Pari Passu charge with Bank of India in favour of the ICICI Bank by way of hypothecation of the firm's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner

- satisfactory to the Bank. (ICICI Bank ₹ 85Mn (45.95%) and BOI- ₹100 Mn (54.05%).
2. Exclusive Charge on Plant & Machinery to be obtained prior to disbursement.
  3. Unconditional and irrevocable personal Guarantee from:
    - Mr Purushottam Sharma residing at B 1103 Vini Tower, Near Dheeraj Dham, Off Chincholi Bunder Road Malad W Mumba 400064 having personal Net Worth of ₹ 70.8 Mn as on 31.03.2021
    - Mr. Narendra K.P residing at A 202 Kalpataru Garden Apartment, Chakradhar Nagar, Nile More, Nalasopara, Thane-401203 having personal Net Worth of ₹19.5 Mn as on 31.03.2021
    - Mr. Aditya Sharma residing at residing at B-1103 Vini Tower, Near Dheeraj Dham, Off Chincholi Bunder Rd Malad W Mumbai 400064 having personal Net Worth of ₹18.5 Mn as on 31.03.2021 (CA certified networth statement to be taken and aggregate net worth of 3s. ₹108.80 as on 31 Mar 2021 of each individual should not be less than the above mentioned networth. Copy of pan card, passport or aadhar card is to be obtained)
  - 4 Financial Guarantee of Unisynth Chemicals, situated at 106-107, Advent Ataria Chincholi Bunder Road, Malad West, Mumbai 400064 having TNW of ₹ 176.04 Mn as on 31st March 2021
  - 5 Two Recourse cheques in favour of ICICI Bank Ltd A/c Unilex Colours and Chemicals Ltd. One for total facility amount and one for two quarters interest assuming full utilization. For Cash credit.
  - 6 One Recourse cheque in favour of ICICI Bank Ltd A/c Unilex Colours and Chemicals Ltd for an amount equivalent to derivative limit- For Derivatives
  - 7 Two Recourse cheques in favour of ICICI Bank Ltd A/c Unilex Colours and Chemicals Ltd. One for total facility amount and one for two quarters interest assuming full utilization. For FBP/FBD/PSCFC.
  - 8 Extension of charge by way of equitable mortgage, in a form and manner satisfactory to the Bank, on the properties as described in the Table 1 below
  - 9 For cross collateral, extension of charge by way of equitable mortgage, in a form and manner satisfactory to the Bank, on the properties taken in and having aggregate value as below:
    - Industrial Property**  
Plot No E-10/2 MIDC Tarapur Industrial Area Navapur Road Near Kamboli Naka Thane MAHARASHTRA -401506 owned by Unilex Colours and Chemicals Limited  
Hypothecation of Vehicle - Kia Make & Model 2023SELTOS
    - Commercial Property**  
Office No. 501 Quantum Towers Malad East Ram Buag, Off S. V. Road Mumbai Maharashtra-400064 owned by Unisynth Chemicals

**Note – B Security, Hypothecation & Guarantee Detail of Bank of India CC & EPC:**

1. Pari-Passu first charge by way Hypothecation of company's entire stock (including raw materials, semi- finished, and finished goods. consumable stores and spares) and book debts, both present and future, along with ICICI bank.
2. Collateral Security:
  - a) Property — 1: Exclusive charge by way of EQM of property situated at Flat No. 1401, 14th Floor, D Wing, Imperial Heights, Goregaon Malad Link Road, Goregaon West, Mumbai-400 104 in the name of Mr. Manojkumar S. Sharma and Smt. Sunita Manoj Sharma, Carpet area: 1863 sq. ft.
  - b) Property — 2: Exclusive charge by way of EQM of property situated at Flat No. 1103, 11th Floor, B Wing, Vini Tower, Sunder Nagar, Malad West, Mumbai-400 064 in the name of Shri Purushottam Brijlal Sharma and Mr. Aditya Sharma, Carpet area: 1226 sq. ft.
3. Guarantor:
  - Shri Purushottam Brijlal Sharma
  - Shri Narendra K.P.
  - Mr. Aditya Sharma
  - Mr. Manojkumar S. Sharma
  - Smt. Sunita Manoj Sharma

**Note – C Security, Hypothecation & Guarantee Detail of Bank of India OD:**

- OD against deposit of ₹ 400.00 Lakhs.

**Note – D Security, Hypothecation & Guarantee Detail of Kotak Mahindra Bank:**

1. **Hypothecation:**

Pari-passu charge on existing and future CA and MFA with ICICI Bank and Bank of India (excluding those exclusively funded by ICICI Bank and Bank of India)

2. **Mortgage:**

- First pari-passu Equitable/Registered mortgage charge on Office No. 501, 5th Floor, Quantum Towers, Ram Baug Road, Behind Petrol Pump, Malad (East) - 400064 belonging to Unisynth Chemicals.
- First pari-passu Equitable/Registered mortgage charge on Plot No. E-10/2, Tarapur Industrial Area, MIDC, Nirlon Road, Boisar, Taluka and Dist. Palghar - 401506 belonging to the Borrower.
- Commercial property at Office No. 501, 5th Floor, Quantum Towers is cross-collateralized in Unilex Colours and Chemicals Ltd & Unisynth Chemicals.
- Title search report of the properties to be found satisfactory to the Bank.
- The minimum asset cover shall be 0.50x, as per valuation accepted by the Bank.
- Immovable properties charged to the Bank are subject to valuation by panel valuer of the Bank, at least once in two years or at shorter periodicity as per the decision of the Bank, at the cost of the borrower.
- The Bank may accept the value of the mortgaged property at lower of valuation given by panel valuer or valuation approved by internal technical team.

3. **Personal Guarantee**

- Personal Guarantees of Mr. Purshottam Sharma, Mr. Narendra K.P. and Mr Aditya Sharma. Latest acknowledged copies of latest IT Return/s and CA certified Net Worth Statement/s (mentioning complete addresses of immovable properties) to be submitted.

4. **Corporate Guarantee**

- CG of M/s Unisynth Chemicals for entire exposure to be taken. Board Resolution of the Corporate Guarantor for giving the guarantee. Confirmation from the Guarantor/security provider that the issuance of the Guarantee complies with the provisions of Section 185 and other applicable provisions of the Companies Act, 2013.

**Note – E Security, Hypothecation & Guarantee Detail of Bank of India Car Loan:**

- Hypothecation of Car Kia Make & Model 2023 SELTOS

**M/s Mittal & Associates**

**Chartered Accountants**

**Firm Registration No: 106456W**

**Sd/-**

**Hemant Bohra**

**Partner**

**M. No. 165667**

**UDIN: 24165667BKEZPJ6235**

**Date: June 27, 2024**

**Place: Mumbai**

## **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 137. You should also read the section titled "Risk Factors" on page 23 and the section titled "Forward Looking Statements" on page 17 of this Draft 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 May 13, 2024 which is included in this Draft 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, including US GAAP and IFRS. 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**

Our company is engaged in the business of manufacturing of Pigment, and the trading of chemicals and food colours. The pigments manufactured by us find diverse applications across various industries such as plastic, rubber, textiles, paper, printing inks, paints and coating.

Within Pigments, we specialize in Pigment Blue 15:3 and 15:4, with an annual production capacity of 1878 mtpa. Our products are marketed under the registered brand name "Unilex." We cater to both domestic and international markets, providing a wide range of pigment solutions for various industries. Our manufacturing facility is situated at MIDC – Tarapur, Palghar, Maharashtra is spread across approximately 1275 sq. meter and is equipped with various machines such as Ball Mill Machine, Root Blower, Silo, Reaction Steel Vessel, Brick Lined Vessel, Rubber Lined Vessel, Drowning Vessel, Spin Flash Dryer, Ribbon Blender, Air Classifier Mill Machine, Air Blender, Filter Press Machine etc. Our products are manufactured from raw materials such as BM CPC, Caustic Soda Flakes, Gum Rosin, Hydrochloric Acid, Mix Xylene, Additive Monosulphonaed CPC Blue and Unisol SI-20 etc. Our products undergo through examination, testing and evaluation to ensure compliance with specified requirements. Our manufacturing facility holds ISO 9001:2015 certification for quality management in the manufacturing of pigments, food dyes, and drug intermediates.

Furthermore, we have been recognized as a Three Star Export House by the Ministry of Commerce, Government of India. To ensure global product compliance (Europe) AB Sweden, we have received a Certificate of REACH Registration, issued under the REACH Regulation (Registration, Evaluation, Authorisation, and Restriction of Chemicals), a regulation of the European Union (EU). Our laboratories allow for thorough experimentation, analysis and optimization of processes, as well as testing and refinement of product applications. Our dedicated engineers constantly keeps abreast of the latest technology and trends as industry requirements. Our revenue from manufacturing business for fiscal 2024, fiscal 2023 and fiscal 2022 were ₹ 6,652.17 lakhs, ₹7,455.21 lakhs and ₹ 8,487.51 lakhs which contributed 46.24 %, 53.48 %, and 58.42% of revenue from operations effectively.

Our product portfolio includes wide range of pigments including Pigment Green -7, Pigment middle chrome, Pigment Violet 23 & 27 and Ultramarine Blue, which are sourced from various third - party manufacturers, to meet the specific requirement of our clients. While we produce and sell a comprehensive range of pigments, we recognize that some of our customers have needs that extend beyond our in-house offerings. To address these needs and ensure complete customer satisfaction, we source wide range of pigments from other manufacturers. This approach allows us to provide a broad spectrum of high-quality pigments, ensuring that we can fully cater to the unique and varied demands of our clientele.

We are exporting our products to countries including Vietnam, Brazil, Mexico, Nigeria, Russia, Turkey, Netherlands, Poland, China, Spain, Malaysia, Thailand, United Arab Emirates and Uzbekistan. We market our products through direct marketing, which allow us to connect with potential customers on a personal level and tailor our messaging to their specific needs. Further, we also participate in exhibitions and conferences, providing us to showcase our products.

We provide flexible packing options such as Multi-Layer Paper Bags, Corrugated Boxes, HDPE and HDPE Coated Bags, Multi-Layer Abetted Liners and HM Covers, Wooden Pallets and Jumbo Bags among others.

We are led by our Promoters, who have significant experience in the Pigment & Dyes industry. Our Promoters include Purushottam Brijlal Sharma, Chairman & Whole-time Director; Aditya Sharma, Managing Director; Narendra Parameswarappa Kotehall, Whole-time Director; and Manojkumar Shyamsunder Sharma, Executive Director, all of whom have more than 30 years of experience in the Pigment and Dyes industry. Kabir Radheyyam Sharma and Rohit Krishnakumar Sharma, both Executive Directors, have 9 years of experience each. The extensive experience of our Promoters has been instrumental in shaping the vision and growth strategies of our company. We believe that our ability to market our products effectively is a result of adhering to the vision set by our Promoters and senior management, combined with their expertise and knowledge of the industry. On April 15, 2023, we received a Certificate of Merit from Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL), recognizing our outstanding performance in the Basic Chemical, Organic & Inorganic Chemical, including Agro Chemicals panel.

**Key Performance Indicators of our Company***(₹ In Lakhs except percentages and ratios)*

Key Financial Performance	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	14,385.01	13,939.03	14,527.46
EBITDA <sup>(2)</sup>	430.57	274.01	100.34
EBITDA Margin <sup>(3)</sup>	2.99%	1.97%	0.69%
PAT <sup>(4)</sup>	616.67	497.07	471.17
PAT Margin <sup>(5)</sup>	4.29%	3.57%	3.24%
RoE(%) <sup>(6)</sup>	17.93%	16.54%	17.98%

**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.**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 137 of this Draft Red Herring Prospectus.

**Factors Affecting our Results of Operations**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 23 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Performance of the chemicals industries in India;
2. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
3. Disruption in our manufacturing facilities.
4. Disruption in supply of Raw Materials;
5. Our ability to respond to technological changes;
6. Adverse natural calamities having significant impact on regions where we are having projects under implementation;
7. Any change in government policies resulting in increases in taxes payable by us;
8. Changes in laws and regulations that apply to the industries in which we operate.
9. Our ability to grow our business;
10. General economic, political and other risks that are out of our control;
11. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
12. Company's ability to successfully implement its growth strategy and expansion plans;
13. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
14. Inability to successfully obtain necessary approvals, licenses, registrations and permits in a timely manner or at all;
15. Conflicts of interest with affiliated companies, the promoter group and other related parties;
16. Any adverse outcome in the legal proceedings in which we are involved;
17. Conflict of Interest with affiliated companies, the promoter group and other related parties; and
18. Global distress due to pandemic, war or by any other reason.

**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, 2024, March 31, 2023 and March 31, 2022.

*(₹ in lakhs)*

Particulars	For the financial period/ year ended					
	FY 2024-23	% of Total Income	FY 2023-22	% of Total Income	FY 2021-22	% of Total Income
Revenue From Operation	14,385.01	96.33%	13,939.03	96.52%	14,527.46	95.85%
Other Income	547.87	3.67%	502.81	3.48%	629.26	4.15%
<b>Total Income</b>	<b>14,932.88</b>	<b>100.00%</b>	<b>14,441.84</b>	<b>100.00%</b>	<b>15,156.73</b>	<b>100.00%</b>
<b>Expenses</b>						
Cost of Material Consumed	3,168.57	21.22%	4,388.17	30.39%	3,896.48	25.71%
Purchase Of Stock in Trade	9,774.02	65.45%	7,813.30	54.10%	9,948.76	65.64%

Particulars	For the financial period/ year ended					
	FY 2024-23	% of Total Income	FY 2023-22	% of Total Income	FY 2021-22	% of Total Income
Changes in inventories of finished goods, Stock-In- Trade & Work in progress	-224.27	-1.50%	-257.79	-1.79%	-501.48	-3.31%
Employee Benefit Expenses	456.04	3.05%	469.55	3.25%	418.72	2.76%
Finance Cost	100.84	0.68%	79.99	0.55%	67.79	0.45%
Depreciation and Amortization Expenses	60.21	0.40%	56.98	0.39%	52.92	0.35%
Other Expenses	769.12	5.15%	718.12	4.97%	638.61	4.21%
<b>Total Expenditure</b>	<b>14,104.53</b>	<b>94.45%</b>	<b>13,783.90</b>	<b>95.44%</b>	<b>14,521.80</b>	<b>95.81%</b>
<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax</b>	<b>828.35</b>	<b>5.55%</b>	<b>657.94</b>	<b>4.56%</b>	<b>634.93</b>	<b>4.19%</b>
Exceptional Item	-		-		-	
<b>Profit/(Loss) Before Tax</b>	<b>828.35</b>	<b>5.55%</b>	<b>657.94</b>	<b>4.56%</b>	<b>634.93</b>	<b>4.19%</b>
<b>Tax Expense:</b>						
Current Year Tax	211.75	1.42%	169.17	1.17%	161.01	1.06%
Deferred tax liability/ (asset)	-0.07	-0.00%	-8.30	-0.06%	2.75	0.02%
<b>Profit/(Loss) for the Year</b>	<b>616.67</b>	<b>4.13%</b>	<b>497.07</b>	<b>3.44%</b>	<b>471.17</b>	<b>3.11%</b>

**Revenue from operations:**

Revenue from operations mainly consists of sale of manufacturing and trading of Pigments and Dyes.

**Other Income:**

Our other income primarily comprises of Interest, Export Incentives, Commission Received, Compensation of non-Supply of goods, Rebate & claim, Job Work Income, Foreign Currency Fluctuation Gain and Misc. Income.

**Expenses:**

Company's expenses consist of Cost of raw material consumed, Purchase of Stock in Trade, Change in inventories of finished goods, Stock-in-trade & work in progress, Employee benefits expense, Finance costs, Depreciation and amortization and other expenses.

**Cost of material consumed:**

Our Raw Material Consumption comprises of purchase of raw material and packing material.

**Purchase of Stock in Trade:**

Company's Purchase of Stock in Trade consist of Purchase of Stock in Trade.

**Changes in inventories of finished goods, Stock-In- Trade & Work in progress:**

Our changes in the inventory comprises of Changes in inventories of finished goods.

**Employee benefits expense:**

Our employee benefits expense comprises of Salaries and Wages, Staff & Labour Welfare, Directors Remuneration, Keyman Insurance Employer P.F Contribution, Employer ESIC Contribution and Gratuity Expense.

**Finance Costs:**

Our finance cost includes bank Interest expense on all types of bank charges.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Property, Plant & Equipment's, furniture, computers etc.

**Other Expenses:**

Our other expenses include Electricity Charges, Water Charges, Repair & Maintenance, Job Work Charges, Telephone Expenses, Postage & Courier, Office Expenses, Traveling & Conveyance, Printing & Stationery, Misc. Expenses, Audit Fee, Sales Promotion



Expenses, Legal & Professional Fees, Insurance Charges, Membership Fees, Forwarding & Transport Charges, Discount Rebate & Claims, Sales Commission, Office Godown Rent, Penalty on Late Payment Of Govt Dues, ECGC Premium, Donation CSR, Environment, Pollution and ETP Charges and Security Charges.

**Financial Year 2024 Compared to Financial Year 2023 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the financial year 2023-24 stood at ₹ 14932.88 Lakhs as compared to ₹ 14441.84 Lakhs in financial year 2022-23 representing an increase of 3.40%. Such Increase was due to increase in business operations of the Company.

**Revenue from Operations:**

During the financial year 2023-24, the revenue from operations of our company increased to ₹ 14385.01 Lakhs as against ₹ 13939.03 Lakhs in financial year 2022-23, representing an increase of 3.20%. The main reason of increase was due to increase in the sales of pigments of the company.

**Other Income:**

During the financial year 2023-24, the other income of our company increases to ₹ 547.87 Lakhs as against ₹ 502.81 Lakhs in financial year 2022-23, representing an increase of 8.96%. The increase in other income was due to increase in Interest from ₹ 2.13 lakhs in the FY. 2022-23 as compared to ₹ 25.69 Lakhs in the FY. 2023-24 representing an increase of 1107.60%, increase in commission income from ₹ 0.00 Lakhs in the FY. 2022-23 as compared to ₹ 3.32 lakhs in FY 2023-24 representing an increase of 100% and increase in Compensation of non-Supply of goods from ₹ 0.00 Lakhs in the FY. 2022-23 as compared to ₹ 8.47 lakhs in FY 2023-24 representing an increase of 100%.

**Total Expenses:**

Total expenses for the financial year 2023-24 increased to ₹ 14104.53 Lakhs as compared to ₹ 13783.90 Lakhs in financial year 2022-23 representing an increase of 2.33%. Such Increase was due to increase in the volume of business operations of the company.

**Cost of Raw material consumed:**

The cost of raw material consumed for the financial year 2023-24 stood at 3168.57 Lakhs against ₹ 4388.17 Lakhs in the Financial Year 2022-23 representing a decrease of 27.79%. Such decrease was due to decrease in purchase of Raw material and packing material from ₹ 4143.44 Lakhs in FY. 2022-23 as compared to ₹3249.97 Lakhs in FY 2023-24 representing a decrease of 21.56%.

**Purchase of Stock in Trade:**

The Purchase of Stock in Trade for the financial year 2023-24 stood at ₹ 9774.02 Lakhs against ₹ 7813.30 Lakhs in the Financial Year 2022-23 representing an increase of 25.09%.

**Change in inventories of finished goods, work in progress and stock in trade:**

The Change in inventories of finished goods for financial year 2023-24 has been decreased as compared to the financial year 2022-23 by 187.00%, which was due to decrease in opening stock of finished goods from ₹ 1426.33 Lakhs in FY. 2022-23 as compared to ₹1168.54 Lakhs in FY. 2023-24 representing a decrease and increase in closing stock of finished goods from ₹1168.54 lakhs in FY 2022-23 as compared to ₹1392.81 Lakhs in FY 2023-24.

**Employee benefits expense:**

Our company has incurred ₹ 456.04 Lakhs as employee benefit expenses during the financials year 2023-24 as compared to ₹ 469.55 Lakhs in the financial year 2022-23 representing decrease of 2.88%. Such decrease was due to decrease in (i) Salaries & Wages from 370.16 lakhs in FY. 2022-23 as compared to ₹ 361.60 Lakhs in FY. 2023-24 which amount to decrease of 2.31%; (ii) Staff & Labour Welfare from 22.11 lakhs in FY. 2022-23 as compared to ₹ 5.47 Lakhs in FY. 2023-24 which amount to decrease of 75.27%; (iii) Gratuity from ₹ 6.67 lakhs in FY. 2022-23 as compared to ₹ 2.99 Lakhs in FY. 2023-24 which amount to decrease of 55.18%.

**Finance costs:**

These costs were for the financial Year 2023-24 increased to ₹ 100.84 Lakhs as against ₹ 79.99 Lakhs during the financial year 2022-23, representing an increase of 26.07%. Such increase was due to increase in (i) Bank Interest from 61.90 lakhs in FY. 2022-23 as compared to ₹ 89.87 Lakhs in FY. 2023-24 which amount to increase of 45.18%.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2023-24 stood at ₹ 60.21 Lakhs as against to ₹ 56.98 Lakhs in financial year 2022- 23 representing an increase of 5.68%. Such increase was due to addition in Fixed Assets during the FY 2023-24.

**Other expense:**

Our company has incurred ₹ 769.12 Lakhs as other expenses during the financials year 2023-24 as compared to ₹ 718.12 Lakhs in the financial year 2022-23 representing an increase of 7.10%. Such increase was due to increase in (i) Travelling & Conveyance from ₹ 41.93 lakhs in FY. 2022-23 as compared to ₹ 61.89 Lakhs in FY. 2023-24 which amount to increase of 47.61%; (ii) Misc. Expenses from ₹ 12.06 lakhs in FY. 2022-23 as compared to ₹ 40.45 Lakhs in FY. 2023-24 which amount to increase of 235.49%; (iii) Insurance Charges from ₹ 13.09 lakhs in FY. 2022-23 as compared to ₹ 16.74 Lakhs in FY. 2023-24 which amount to increase of 27.94%; (iv) Forwarding & Transport Charges from ₹ 102.45 lakhs in FY. 2022-23 as compared to ₹ 293.36 Lakhs in FY. 2023-24 which amount to increase of 186.35%; and (v) Donation CSR from ₹ 11.01 lakhs in FY. 2022-22 as compared to ₹ 13.11 Lakhs in FY. 2023-24 which amount to increase of 22.71%.

**Restated Profit/ (Loss) before tax:**

Restated Profit before Tax for the financial year 2023-24 was ₹ 828.35 Lakhs as compared to Restated profit before tax of ₹ 657.94 Lakhs during the financial year 2022-23 which amounts to increase was majorly due to factors as mentioned above.

**Restated Profit/ (Loss) after tax:**

Restated Profit after Tax for the financial year 2023-24 was ₹ 616.67 Lakhs as compared to Restated profit after tax of ₹ 497.07 Lakhs during the financial year 2022-23.

**Financial Year 2023 compared to Financial Year 2022 (Based on Restated Financial Statements)**

**Total Income:**

Total income for the financial year 2022-23 stood at ₹ 14441.84 Lakhs as compared to ₹ 15156.73 Lakhs in financial year 2021-22 representing a decrease of 4.72%. Such decrease was due to decrease in business operations of the Company.

**Revenue from Operations:**

During the financial year 2022-23, the revenue from operations of our company decreased to ₹ 13,939.03 Lakhs as against ₹ 14,527.46 Lakhs in financial year 2021-22, representing decrease of 4.05%. The main reason of decrease was due to decrease in the sale of pigments during the FY 2022-23.

**Other Income:**

During the financial year 2022-23, the other income of our company decreased to ₹ 502.81 Lakhs as against ₹ 629.26 Lakhs in financial year 2021-22, representing a decrease of 20.10%. The decrease in other income was due to decrease in Job work income from ₹ 62.45 lakhs in the FY. 2021-22 as compared to ₹ 9.27 Lakhs in the FY. 2022-23 representing decrease of 85.15%, decrease in export incentives from ₹ 308.78 Lakhs in the FY. 2021-22 as compared to ₹ 255.18 lakhs in FY 2022-23 representing a decrease of 17.36% and decrease in foreign currency fluctuation gain from ₹ 255.46 Lakhs in the FY. 2021-22 as compared to ₹ 229.22 lakhs in FY 2022-23 representing decrease of 10.27%.

**Total Expenses:**

Total expenses for the financial year 2022-23 decreased to ₹ 13783.90 Lakhs as compared to ₹ 14521.80 Lakhs in financial year 2021-22 representing decrease of 5.08%. Such decrease was due to decrease in the volume of business operations of the company.

**Cost of Raw material consumed:**

The cost of raw material consumed for the financial year 2022-23 stood at 4388.17 Lakhs against ₹ 3896.48 Lakhs in the Financial Year 2021-22 representing an increase of 12.62%. Such increase was due to increase in opening stock of Raw material and packing material from ₹ 323.09 Lakhs in FY. 2021-22 as compared to ₹ 529.21 Lakhs in FY 2022-23 representing an increase of 63.79%.

**Purchase of Stock in Trade:**

The Purchase of Stock in Trade for the financial year 2022-23 stood at ₹ 7813.30 Lakhs against ₹ 9948.76 Lakhs in the Financial Year 2021-22 representing a decrease of 21.46%.

**Change in inventories of finished goods, work in progress and stock in trade:**

The Change in inventories of finished goods for financial year 2022-23 has been increased as compared to the financial year 2021-22 by 151.41%, which was due to increase in opening stock of finished goods from 924.85 Lakhs in FY. 2021-22 as compared to 1426.33 Lakhs in FY. 2022-23 representing an increase of 54.22%.

**Employee benefits expense:**

Our company has incurred ₹ 418.72 Lakhs as employee benefit expenses during the financials year 2021-22 as compared to ₹ 469.55 Lakhs in the financial year 2022-23 representing increase of 12.14%. Such increase was due to increase in (i) Salaries & Wages from ₹ 329.49 lakhs in FY. 2021-22 as compared to ₹ 370.16 Lakhs in FY. 2022-23 which amount to increase of 12.34%; (ii) Staff & Labour Welfare from ₹ 12.99 lakhs in FY. 2021-22 as compared to ₹ 22.11 Lakhs in FY. 2022-23 which amount to increase of 70.17%; (iii) Keyman Insurance from ₹ 26.60 lakhs in FY. 2021-22 as compared to ₹ 30.64 Lakhs in FY. 2022-23 which amount to increase of 15.21%.

**Finance costs:**

These costs were for the financial Year 2022-23 increased to ₹ 79.99 Lakhs as against ₹ 67.79 Lakhs during the financial year 2021-22, representing an increase of 18.00%. Such increase was due to increase in Bank Interest from 41.76 lakhs in FY. 2021-22 as compared to ₹ 61.90 Lakhs in FY. 2022-23 which amount to increase of 48.25%.

**Depreciation and Amortization Expenses:**

Depreciation for the financial year 2021-22 stood at ₹ 52.92 Lakhs as against to ₹ 56.98 Lakhs in financial year 2022-23 representing an increase of 7.68%. Such increase was due to addition in Fixed Assets during the FY 2022-23.

**Other expense:**

Our company has incurred ₹ 718.12 Lakhs as other expenses during the financials year 2022-23 as compared to ₹ 638.61 Lakhs in the financial year 2021-22 representing an increase of 12.45%. Such increase was due to increase in (i) Travelling & Conveyance from ₹ 11.86 lakhs in FY. 2021-22 as compared to ₹ 41.93 Lakhs in FY. 2022-23 which amount to increase of 253.41%; (ii) Electricity Charges from ₹ 230.24 lakhs in FY. 2021-22 as compared to ₹ 247.99 Lakhs in FY. 2022-23 which amount to increase of 7.71%; (iii) Sales promotion expenses from ₹ 21.62 lakhs in FY. 2021-22 as compared to ₹ 52.02 Lakhs in FY. 2022-23 which amount to increase of 140.55%; (iv) Insurance Charges from ₹ 8.39 lakhs in FY. 2021-22 as compared to ₹ 13.09 Lakhs in FY. 2022-23 which amount to increase of 55.98%; (v) Donation CSR from ₹ 0.00 lakhs in FY. 2021-22 as compared to ₹ 11.01 Lakhs in FY. 2022-23 which amount to increase of 100%; (vi) Discount, Rebate & Claims from ₹ 1.87 lakhs in FY. 2021-22 as compared to ₹ 37.28 Lakhs in FY. 2022-23 which amount to increase of 1898.57%; (vii) ECGC Premium ₹ 0.00 lakhs in FY. 2021-22 as compared to ₹ 4.04 Lakhs in FY. 2022-23 which amount to increase of 100%; and (viii) Environment, Pollution and ETP Charges from ₹ 6.39 lakhs in FY. 2021-22 as compared to ₹ 9.37 Lakhs in FY. 2022-23 which amount to increase of 46.64%.

**Restated Profit/ (Loss) before tax:**

Restated Profit before Tax for the financial year 2022-23 was ₹ 657.94 Lakhs as compared to Restated profit before tax of ₹ 634.93 Lakhs during the financial year 2021-22 which amounts to increase was majorly due to factors as mentioned above.

**Restated Profit/ (Loss) after tax:**

Restated Profit after Tax for the financial year 2022-23 was ₹ 497.07 Lakhs as compared to Restated profit after tax of ₹ 471.17 Lakhs during the financial year 2021-22.

**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 Draft 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 23 of the Draft 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 23, 91 and 171 respectively of this Draft Red Herring Prospectus, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

#### **5. Total turnover of each major industry segment in which our Company operates**

Our business activity primarily falls within a single business and geographical segment, as disclosed in “**Restated Financial Statements**” on page 137 of this Draft Red Herring Prospectus, we do not follow any other segment reporting.

#### **6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**”, on page 91 of this Draft Red Herring Prospectus 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 81 and 91 respectively of this Draft Red Herring Prospectus.

#### **8. Dependence on single or few customers**

The revenue contribution from our top five products categories accounted for a significant portion of our total revenue from sale of goods in the fiscal year ending March 2024, 2023 & 2022 i.e. 65.15%, 75.31% and 79.94% respectively. For further details refer chapter titled “**Risk Factors**” beginning on pages of this 23 Draft Red Herring Prospectus.

#### **9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 81 and 91 respectively of this Draft Red Herring Prospectus.

#### **10. Details of material developments after the date of last balance sheet i.e. March 31, 2024.**

After the date of last Balance sheet i.e., March 31, 2024, the following material events have occurred after the last audited period:

1. The Company has approved the Restated Financial Statements for the financial year ending March 31, 2024, March 31, 2023, and March 31, 2022 in the Board meeting dated June 26, 2024.
2. The Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on March 06, 2024 and by our Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General meeting held on March 12, 2024 to raise funds by making an Initial Public Offering.
3. Our Company has approved the Draft Red Herring Prospectus vide resolution in the Board Meeting dated July 06, 2024.

**CAPITALISATION STATEMENT**

(₹ In Lakhs)

Particulars	Pre-Issue	Post-Issue
<b>Borrowings</b>		
Short term debt (A)	2,146.29	*
Long Term Debt (B)	15.10	*
<b>Total debts (C)</b>	<b>2,161.40</b>	*
<b>Shareholders' funds</b>		
Equity share capital	1,001.70	*
Reserve and surplus - as restated	2,685.19	*
<b>Total shareholders' funds</b>	<b>3,686.00</b>	*
<b>Long term debt/ shareholders' funds (in ₹)</b>	<b>0.00</b>	*
<b>Total debt/ shareholders' funds (in ₹)</b>	<b>0.59</b>	*

(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

## Notes:

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.
3. The figures disclosed above are based on restated statement of Restated Assets and Liabilities of the Company as at March 31, 2024

**SECTION VII – LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Our Company, our Directors, Group Company and our Promoters are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; and (v) Material Litigation (as defined below); involving our Company, Directors, Promoters and its Group Companies.

Our Board of Directors, in its meeting held on May 13, 2024 determined that outstanding litigation involving our Company, its directors, its promoters, and group companies shall be considered material (“**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 standalone financial statement of the company i.e. March 31, 2024 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 Draft 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 Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

**(c) Other pending material litigations against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**(f) Tax Proceedings****(₹ in Lakhs)**

Nature of Proceedings	Number of Cases	Amount Involved*	Status
<b>Direct Tax</b>			
Income Tax	1	1.88	Demand raised under section 143 (3) of ₹ 1.88 Lakh for A.Y. 2018-19 against DIN & Document No. ITBA/AST/S/186/2020-21/1030498497(1) dated 09/02/2022 due to Duty Drawback and transactions with company whose registration has been cancelled by MCA. Company has filed a response on dated 21/09/2022 and the matter is pending.
TDS	1	0.06	Towards TDS Defaults
<b>Indirect Tax</b>			
GST	1	1.89	A show cause cum demand notice issued on dated March 14, 2023 in respect of GST audit conduct for period of F.Y. July 2017 to March 2019 under section 65(6) of amounting to ₹1.89 lakh due to non-payment of GST under RCM for Registration Charges. The Company is yet to file a reply to the same.
	1	0.68	A show cause cum demand notice issued on dated March 14, 2023 in respect of GST audit conduct for period of F.Y. July 2017 to March 2019 under section 65(6) of amounting to ₹ 0.68 lakh due to inadmissible ITC availed under Section

Nature of Proceedings	Number of Cases	Amount Involved*	Status
			16(1) of CGST Act, 2017. Against this notice company has a filed a response stating that we have legitimately claimed the impugned ITC as per section of 16(2) of CGST Act,2017 because we have complied all the specified condition required for claiming ITC. The matter is still pending.
	1	1.55	A show cause cum demand notice issued on dated March 14, 2023 in respect of GST audit conduct for period of F.Y. July 2017 to March 2019 under section 65(6) of amounting to ₹ 1.55 lakh due to non-payment of GST on account of reversal under Rule 37. Against this notice company has a filed a response stating that we have reversed the said ITC partially in F.Y. 2017-18 and F.Y. 2018-19. The matter is still pending.
	1	23.25	A show cause cum demand notice issued on dated March 14, 2023 in respect of GST audit conduct for period of F.Y. July 2017 to March 2019 under section 65(6) of amounting to ₹ 23.25 lakh due to excess IGST credit availed in GSTR-3B. Against this notice company has a filed a response stating that we had inadvertently submitted wrong register at the time of audit. The matter is still pending.
	1	1.62	A show cause cum demand notice issued on dated March 14, 2023 in respect of GST audit conduct for period of F.Y. July 2017 to March 2019 under section 65(6) of amounting to ₹ 1.62 lakh due to ITC availed on invoices details of which are not available in 2A. Against this notice company has a filed a response stating that we have legitimately claimed the impugned ITC as per section of 16(2) of CGST Act,2017 because we have complied all the specified condition required for claiming ITC. The matter is still pending.
	1	-	Demand raised for F.Y. 2018-19 to F.Y. 2021-22 dated August 17, 2023 due to difference between in FOB Value and export value in GSTR-9 during the F.Y. 2018-19 to F.Y.2021-22. The company has filed a response on dated November 29, 2023 and February 03, 2024. The Matter is still pending.
	1	9.92	Demand raised for F.Y. 2021-22 dated July 21, 2023 amounting to ₹9.92 Lakh due to difference in value in respect of tax payable and tax paid (through ITC and cash) in GSTR-9. The company has filed a response dated on July 01, 2024 stating that issue under consideration has arisen due to reporting of a transaction under reverse charge transaction in GSTR9, which was not reported in GSTR3B. The matter is still pending.
	1	13.06	Demand raised for F.Y. 2017-18 dated September, 2023 amounting to ₹13.06 Lakh due to mismatch in liability declared in GSTR-9. The company has not been able to file a response because the time limit has been lapsed. The Matter is still pending.
<b>Total</b>	<b>10</b>	<b>53.91</b>	

\* to the extent quantifiable

## B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY

### (a) Criminal proceedings against the Promoters & Directors of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the company.

### (b) Criminal proceedings filed by the Promoters & Directors of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Promoters & Directors of the company.

### (c) Other pending material litigations against the Promoters & Directors of the company

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(d) Other pending material litigations filed by the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors the Company.

**(f) Tax Proceedings**

Nature of Proceedings	Number of Cases	Amount Involved (₹ in Lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

**C. LITIGATIONS INVOLVING THE GROUP COMPANIES OF THE COMPANY WHICH CAN HAVE A MATERIAL IMPACT ON OUR COMPANY****(a) Criminal proceedings against the Group Company of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Group Company of the company.

**(b) Criminal proceedings filed by the Group Company of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Group Company of the company.

**(c) Other pending material litigations against the Group Company of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Group Company of the company.

**(d) Other pending material litigations filed by the Group Company of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Group Company, which have been considered material by the Company in accordance with the Materiality Policy.

**(e) Actions by statutory and regulatory authorities against the Group Company of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Group Company.

**(g) Tax Proceedings**

Nature of Proceedings	Number of Cases	Amount Involved (₹ in Lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

**D. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's total Trade payables as per Restated Financial statements, to small scale undertakings and other creditors as material dues for our Company.

The trade payables for the period ended on March 31, 2024 were ₹ 2,796.06 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 139.80 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on May 13, 2024. Based on these criteria, details of outstanding dues owed as on March 31, 2024 by our Company on are set out below:

Type of Creditors	Number of Creditors	Total Amount Outstanding
Micro, small and medium enterprises	54	1,970.20
Other Creditors	33	825.86
<b>Total</b>	<b>87</b>	<b>2,796.06</b>

(₹ in lakhs)



The details pertaining to amounts due towards material creditors are available on the website of our Company.

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 171 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the last Balance Sheet.

**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 Draft 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 in connection with the Issue:

**Corporate Approvals:**

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on March 06, 2024 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on March 12, 2024 authorized the Issue.
- c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated July 06, 2024.

**Approval from the Stock Exchange:**

- d) In-principle approval dated [●] from the NSE Emerge 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) The company has entered into an agreement dated February 05, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.
- f) Similarly, the Company has also entered into an agreement dated October 10, 2019 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
- g) The International Securities Identification Number (ISIN) of our Company is INE0B2801011.

**II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

S. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U24239MH2001PLC131352	Companies Act, 1956	Registrar of Companies, Mumbai Maharashtra	March 23, 2001	Valid until cancelled
2.	Certificate for Commencement of Business	Co No. 131352	Companies Act, 1956	Registrar of Companies, Mumbai Maharashtra	April 26, 2001	Valid until cancelled
3.	Fresh Certificate of Incorporation Consequent upon Change of Name	U74999MH2001PLC131352	Companies Act, 1956	Registrar of Companies,	April 14, 2012	Valid until cancelled

S. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
				Mumbai Maharashtra		

### III. OTHER APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. TAX RELATED APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AAACU5230F	May 30, 2012*	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department, Government of India	MUMU03874D	**	Valid until cancelled
3.	Certificate of Registration of Goods and Services Tax (Maharashtra)	Centre Goods and Services Tax Act, 2017	DS Goods and Service Tax Network	27AAACU5230F1ZM	Renewed certificate issued on June 19, 2024; valid from July 01, 2017	Valid until cancelled
4.	Certificate of Registration of Goods and Services Tax (Gujarat)	Centre Goods and Services Tax Act, 2017	DS Goods and Service Tax Network	24AAACU5230F1ZS	August 02, 2020	Valid until cancelled
5.	Certificate of Registration	Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	Maharashtra Sales Tax Department	27070364484P	Valid from March 29, 2001	Valid until cancelled

\* Consequent to change of name new PAN was issued by the department

\*\* TAN Certificate is not traceable

#### B. GENERAL APPROVALS:

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Udyam Registration Certificate (Small Enterprise)	MSME Development Act, 2006	Ministry of Micro Small & Medium Enterprises, Government of India	UDYAM-MH-18-0032856	Renewed on April 27, 2024; valid from December 29, 2020	Valid until cancelled
2.	Certificate of Importer-Exporter Code (IEC)	Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce & Industry, Office of Additional Director General of Foreign Trade	0302046895	Renewed certificate issued on August 28, 2023; valid from October 22, 2002	Valid until cancelled
3.	Legal Entity Identifier	Payment and Settlement System Act, 2007	Legal Entity Identifier India Limited	335800GARRZDVIKYCG12	Renewed certificate valid from June 25, 2024	June 25, 2029

**C. LABOUR LAW RELATED APPROVALS:**

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organization	KDMAL1986995000	August 09, 2019	Valid until cancelled
2.	Registration under Employees' state Insurance	Employees' state Insurance Act, 1948	Employees' State Insurance Corporation	31001098820000306	August 09, 2019	Valid until cancelled

**D. BUSINESS OPERATIONS RELATED APPROVALS:**

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	Registration of Factory and related license to operate factory	Factories Act, 1948	Industrial Safety and Health, State of Maharashtra, Palghar	License No: 10027535756 Registration No: 12900201140E-10	Renewed Certificate issued on September 29, 2022; Valid from December 21, 2019	December 31, 2027
2.	Registration Certificate (Regd. Office)	Maharashtra shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017	Officer	820346974/PN Ward/ COMMERCIAL II	June 27, 2024	Valid until cancelled
3.	Certificate of Recognition as Three Star Export House	Foreign Trade Policy, 2023	Government of India/ Ministry of Commerce and Industry/ Department of Commerce/ Directorate General of Foreign Trade	File No. MUMSTATAPPLY0000 1223AM24	October 10, 2023	March 31, 2028
4.	Certificate of REACH Registration (for 29H, 31H-phthalocyaninato(2-)-N29, N30, N31, N32 Copper)	REACH Regulation (EC) N° 1907/2006	Global Product Compliance (Europe) AB, Sweden	01-2119458771-32-0046	March 03, 2021	Valid until cancelled
5.	Certificate of REACH Registration (for Polychloro Copper phthalocyanine)	REACH Regulation (EC) N° 1907/2006	Global Product Compliance (Europe) AB, Sweden	01-2119459333-39-0049	March 03, 2021	Valid until cancelled
6.	Certificate of REACH Registration (for Ferrate(4-), hexakis (cyano-C)-, methylated 4- [(4-aminophenyl)(4-imino-2, 5-cyclohexadien-1-ylidene)	REACH Regulation (EC) N° 1907/2006	Global Product Compliance (Europe) AB, Sweden	01-2119928536-31-0004	July 20, 2021	Valid until cancelled

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
	<i>methyl] benzenamine copper (2+) salts)</i>					
7.	Permission for Self-sealing for export of goods in container under e-sealing procedure-reg (for <i>Manufacturing of Pigments dyes &amp; trading of chemicals)</i>	The Customs Act, 1962	Superintendent of Customs (Preventive), Tarapur Export Promotion Circle Bassein Division, M&P Wing	DIN:20231179OC0000999 B18	November 01, 2023	March 30, 2034
8.	IInd Provisional order under Section 9 of the Boilers Act of 1923 (Max working pressure of 10.54kg./cm <sup>2</sup> )	Indian Boiler Act, 1923	Government of Maharashtra, Labour Department, Directorate of Steam Boilers	Order No. 459; No. SB-6/BBI/2023-24/2976	Issued on February 13, 2024; Valid from January 11, 2024	July 10, 2024
9.	Certificate of Registration	Legal Metrology (Packed Commodities), Rules, 2011	Director of Legal Metrology (Weights & Measures)	220996191	December 30, 2022	December 29, 2024
10.	Form C FSSAI (Central License)	FSS Act, 2006	Government of India, Food Safety and Standards Authority of India	11522998001704	September 28, 2023; Valid from October 14, 2022	October 13, 2024
11.	Form C State License as Manufacturer (for <i>Erythrosine, Quinoline Yellow, Allura red, Indigo Carmine, Ponceau 4R, Red 2G, Chocolate Brown HT, Green S Lake Erythrosine, Lake Sunset Yellow, Lake Amarnath Lake, Quinoline Yellow, Lake Indigo Carmine, Lake Apple Green, Natural Food Colour, Amarnath Carmoisine, Brillant Blue, Sun Set Yellow, Tartrazine, Patent Blue V,</i>	Food Safety and Standards Act, 2006	Food and Drufg Administration, Government of Maharashtra	11510023000255	October 19, 2019	October 18, 2024

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
	Black PN, Lake Ponceau 4R, Lake Allura Red, Lake Tartrazine, Lake Carmosine, Lake Chocolate Brown HT, Lake Brilliant Blue, Blended Food Colours 99.7)					
12.	Certificate of SME Grading (Indicates the level of creditworthiness of an SME, adjusted in relation to other SMEs is Highest)	Micro, Small and Medium Enterprises Development (MSMED) Act, 2006	Infomeries Analytics and Research Private Limited	IAR-SME I	February 09, 2024	February 08, 2025
13.	Certificate of Stability for factory Building	Maharashtra Factories Rules, 1963	Arun Bhakri (Consulting Structural Engineer)	-	December 15, 2023	-
14.	Registration - Cum-Membership Certificate	Basic Chemicals Cosmetics & Dyes Export Promotion Council	Basic Chemicals Cosmetics & Dyes Export Promotion Council	CHEM/SSMCUMME/U-4/2020-21/183325	July 01, 2024	March 31, 2025
15.	Fire NOC (Manufacturing Unit) [Fire hydrant system and Fire Alarm]	Maharashtra Fire Prevention and Life Safety Measures Act, 2006 (Mah. III of 2007)	Sarang Enterprises, MIDC, Ambad, Nasik	MFS/LA/RF-332/ RD-315	July 03, 2024	December 31, 2024*

\* As per Circular No: MFS/2015/10/1600 dated October 16, 2015 from Government of Maharashtra – “Six monthly certificate is to be given in every January and July by the owner or the occupier for compliance of the Fire Prevention and Life Safety Measures.” The Municipal and Planning Authority and the Chief Fire Officer and Nominated Officer shall inform the License Agencies in their respective area to issue form B strictly as envisaged by the aforesaid provisions of the Fire Act and the Fire Rules. Accordingly, company receives Form B - renewed certificate in every six months. Accordingly, the Fire NOC is issued in usual course of operations.

#### E. ENVIRONMENTAL LAW RELATED APPROVALS:


Sr. No	Description	Applicable law	Issuing Authority	Registration number	Date of Certificate	Date of Expiry
1.	Consent to Operate (for Beta Blue, Pigment Yellow-12,13,14,74,83,1,68,1 91 & Pigment Red – 3,4,8,112,48.2,4 8.3, 12,53.1, 57.1, 146, 170 & Pigment Orange- 05,13,34& Lemon Chrome & Middle Chrome & Pigment Green- 7 & Pigment Blue & Violet -27 (Manufacturing Unit)	Section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981, and Authorization under Rule 6 of the Hazardous & other Wastes (Management, Transboundary Movement) Rules 2016	Maharashtra Pollution Control Board, Assistant Secretary (Tech.)	Format1.0/AS(T) /UAN No. 0000092088/CO-20070001741	July 29, 2020	December 31, 2024

Sr. No	Description	Applicable law	Issuing Authority	Registration number	Date of Certificate	Date of Expiry
2.	Membership Certificate	-	TIMA CETP Co-op. Society Ltd	246	November 02, 2002	Valid until cancelled
3.	Membership Certificate for fresh water requirement under MLD CETP	-	Tarapur Environment Protection Society	TEPS/Certi.Unil ex/2021-22/281	February 01, 2022	Valid until cancelled
4.	Water Licence (Manufacturing Unit)	MIDC Water Supply Regulation, 1973	Executive Engineer, MIDC Dn. I Thane	-	October 11, 2013	Valid until cancelled

**F. QUALITY CERTIFICATIONS:**

Sr. No	Description	Applicable laws	Authority	Registration number	Date of Certificate	Date of Expiry
1.	ISO 9001: 2015 Certificate of Registration for Quality Management System for Manufacturing of Pigments, Food Dyes & Drug Intermediates (IAF Code: 12)	ISO 9001: 2015	Assurance Quality Certification LLC	24EQNO28	June 28, 2024	May 28, 2025
2.	JUHF Halal Certificate [B- (Chemical-Food Colors Products) According to MS E-(Chemical-Food Colors Products) According to GSO]	Halal Requirement MS: 1500:2019 GSO: S 2055-1:2015	JUHF Certification Pvt. Ltd.	JUHF-0278-0137	May 14, 2016	August 23, 2025
3.	Certificate of Compliance for Good Manufacturing Practice (GMP) System for the following scope of activities: Dyes, Pigments, Food Colours and Binders	GMP (Good Manufacturing Practice) System	UK Global Certifications & Inspections Limited	IE-507TE024	July 05, 2024	July 04, 2027

**G. INTELLECTUAL PROPERTY RELATED APPROVALS:**

Sr No.	Name Applied	Trademark Type	Application Date	Application No./ Certificate No.	Class	Present Status
1.		Device	March 11, 2020	4469283; 2619173	2 (Dyes; Pigments)	Registered

**H. APPROVALS OR LICENSES APPLIED BUT NOT RECEIVED:**

Nil

**I. APPROVALS OR LICENSES PENDING TO BE APPLIED:**

1. We are yet to apply for the Certificate of Registration as 'Principal Employer' under Contract Labour (Regulation & Abolition) Act, 1970.

**OUR GROUP COMPANIES**

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 May 13, 2024 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:

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“Restated Financial Statements”); or
- b. if such company fulfills 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 SEBI (ICDR) Regulations 2018; and
  - ii) Where the 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 total revenue of the company as per Restated Financial Statements.

Based on the above, the following Companies are identified as our Group Companies:

1. Vardhaman Dye-Stuff Industries Private Limited
2. Unisynth Overseas Limited
3. Taizhou Xiaqi Import and Export Co., Ltd.

**Details of our Group Companies:****Indian Companies****1. Vardhaman Dye-Stuff Industries Private Limited**

Vardhaman Dye-Stuff Industries Private Limited was incorporated on May 12, 1992 as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra.

<b>CIN</b>	U24110MH1992PTC066725
<b>PAN</b>	AAACV0143Q
<b>Registered Office</b>	103 Advent Atria Premises Co-Op Soc Ltd, Chincholi Bunder Road, Malad West, Bandra Suburban, Mumbai-400064, Maharashtra India

**2. Unisynth Overseas Limited**

Unisynth Overseas Limited was originally incorporated with name Unisynth Oil Refinery India Limited on September 07, 2011 as a public limited company under the Companies Act, 1956 pursuant to certificate of incorporation issued by the Registrar of Companies, Mumbai Maharashtra. Further the company has changed its name and pursuant to which the certificate of incorporation for name change was issued on November 24, 2017 issued by Registrar of Companies, Mumbai.

<b>CIN</b>	U74900MH2011PLC221664
<b>PAN</b>	AABCU3565C
<b>Registered Office</b>	106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India

**Foreign Company****3. Taizhou Xiaqi Import and Export Co., Ltd**

Taizhou Xiaqi Import and Export Co., Ltd was incorporated on May 29, 2023 as Limited Liability Company (foreign investment, non-sole proprietorship) pursuant to business license

<b>Unified Social Credit Code</b>	91331000MACJ57PX19
<b>Registered Office</b>	Room 1214, Building 2, Wanda Plaza, Baiyun Street, Jiaojiang District, Taizhou City, Zhejiang Province



## Financial Information

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, basic earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available of our group companies are available on the website of our company at <https://unilexcolours.in/>

It is clarified that such details available on our group companies' websites do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Companies website, as mentioned above, would be doing so at their own risk.

## Other confirmations

- a) None of our Group Companies is listed on any stock exchange nor any of the Group Companies have made any public and/or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Companies are in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.
- c) None of the above-mentioned Group Companies are a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Companies have not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

## Nature and Extent of Interest of Group Company

### a) *In the promotion of our Company:*

Our Group Companies does not have any interest in the promotion of our Company.

### b) *In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with stock exchange:*

Our Group Company does not have any interest in the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with Stock Exchange.

### c) *In transactions for acquisition of land, construction of building and supply of machinery:*

None of our Group Companies are interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company

## Related business transactions and their significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Restated Financial Statements-Related Party Transactions*" on page 161, there are no related business transactions between the Group Company and our Company.

## Business interest of our Group Companies in our Company

Except as disclosed in the section "*Other Financial Information-Related Party Transactions*" and "*History and certain Corporate Structure*" on page 161 and page 112 of this Draft Red Herring Prospectus, our Group Company have no business interests in our Company.

## Common pursuits among Group Company

Our Group Company Vardhaman Dye-Stuff Industries Private Limited and Taizhou Xiaqi Import and Export Co., Ltd is involved in ventures which are in the same line of business as of our Company. Further we share the same premises of our registered office with our Group Companies Unisynth Overseas Limited.

## Litigations

Except as disclosed in the section "*Outstanding litigations and material developments*" on page 179 of this Draft Red Herring Prospectus.

## Undertaking/ Confirmations by our Group Companies

None of our Promoter or Promoter Group or Group company or person in control of our Company has been:

- i. Prohibited 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
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoter, person in control of our Company 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.

Further, neither our Promoters, the relatives of our individual Promoter (as defined under the Companies Act, 2013) nor our Group companies/ Promoter Group entities have been declared as a willful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e., <https://unilexcolours.in/>.

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**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 March 06, 2024 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 Extra-Ordinary General Meeting held on March 12, 2024 authorized the Issue.

**In-principle Approval:**

Our Company has obtained in-principle approval from the NSE Emerge for using its name in the Red Herring Prospectus/ Prospectus pursuant to an approval letter dated [●] NSE is the Designated Stock Exchange.

**Prohibition by SEBI or other 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 179 of this Draft 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 179 of this Draft Red Herring Prospectus.

**Prohibition with respect to wilful defaulters or a fraudulent borrower**

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters 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 Draft Red Herring Prospectus, there are no such significant beneficial owners in our Company

**Eligibility for the Issue:**

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” 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 upto twenty-five 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 “NSE Emerge”).

**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 Draft 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 Prospectus.
- d) In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall 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 NSE Emerge of NSE. 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 51 of this Draft Red Herring Prospectus.

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, 2018 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 February 05, 2024 and National Securities Depository Limited dated October 10, 2019 for establishing connectivity.
2. Our Company has a website i.e., <https://unilexcolours.in/>
3. There has been no change in the promoters of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge of the NSE:

1. Our Company was originally incorporated as a Public Limited Company under the name of “Unilex Exports Limited” on March 23, 2001 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra bearing CIN U24239MH2001PLC131352. Further, pursuant to Special Resolution passed by the shareholders at the Extra Ordinary General Meeting held on March 26, 2012, the name of our Company was changed from “Unilex Exports Limited” to “Unilex Colours and Chemicals Limited” and a fresh certificate of incorporation consequent upon Change of Name was issued by the Registrar of Companies, Mumbai, Maharashtra vide certificate dated April 14, 2012 bearing CIN U74999MH2001PLC131352.
2. As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 10.01 Crores and the Post Issue Capital will be of upto ₹ [●] Crores which will be less than ₹ 25 Crores.
3. The Company confirms that it has track record of more than 3 years.
4. As on March 31, 2024, the Company has net tangible assets of ₹3,670.85 Lakhs.
5. The company has operating profit (earnings before interest, depreciation and tax) from operations for atleast any 2 out of 3 financial years preceding the application and its net-worth should be positive. The details of the Net Worth and Operating Profit as per the Financial Statements of the company are as detailed below

(In ₹ Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net Worth	430.57	274.01	100.34

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Operating profit (earnings before interest, depreciation, Profit/(loss) and tax)	3,686.00	3,202.89	2,805.98

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 promoters, Group Companies, companies promoted by the promoters of the Company;
7. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
8. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
9. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
10. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
11. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company
12. 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
13. We confirm that:
  - i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.
  - ii. There is no default in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs by the applicant, promoters/ promoting company(ies), group companies, companies promoted by the promoters/ promoting company(ies) during the past three years.
  - iii. There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies) except as stated in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 179 of this Draft Red Herring Prospectus.
  - iv. There are no criminal cases/investigation/offences filed against the director of the company except as stated in the section titled “*Outstanding Litigation and Material Developments*” beginning on page 179 of this Draft Red Herring Prospectus.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the Emerge Platform of NSE.

#### DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, 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 LEAD MERCHANT BANKER, 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 LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 06, 2024.**

**THE FILING OF THIS DRAFT OFFER DOCUMENT/ OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF**

**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 BRLM ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.**

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of sections 26, 32 and 33 of the Companies Act, 2013.

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

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <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.	Enfuse Solutions Limited	22.44	96.00	March 22, 2024	115.00	25.65% [1.08%]	N.A.	N.A.
2.	Aspire & Innovative Advertising Limited	21.97	54.00	April 03, 2024	56.50	37.87% [0.18%]	N.A.	N.A.
3.	Blue Pebble Limited	18.14	168.00	April 03, 2024	199.00	71.17% [0.18%]	N.A.	N.A.
4.	Amkay Products Limited	12.60	55.00	May 08, 2024	104.50	15.91% [4.39%]	N.A.	N.A.
5.	TGIF Agribusiness Limited	6.39	93.00	May 15, 2024	150.00	1.61% [5.49%]	N.A.	N.A.
6.	Energy-Mission Machineries (India) Limited	41.15	138.00	May 16, 2024	366.00	218.62% [5.15%]	N.A.	N.A.
7.	Aztec Fluids & Machinery Limited	24.12	67.00	May 17, 2024	90.00	10.18% [4.58%]	N.A.	N.A.
8.	Premier Roadlines Limited	40.36	67.00	May 17, 2024	87.00	104.18% [4.86%]	N.A.	N.A.
9.	Vilas Transcore Limited	95.26	147.00	June 03, 2024	215.00	252.79% [4.40%]	N.A.	N.A.
10.	Aimtron Electronics Limited	87.02	161.00	June 06, 2024	241.00	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 Enfuse Solutions Limited, Aspire & Innovative Advertising Limited, Blue Pebble Limited, Amkay Products Limited, TGIF Agribusiness Limited, Energy-Mission Machineries (India) Limited, Aztec Fluids & Machinery Limited, Premier Roadlines Limited and Vilas Transcore Limited have not completed its 90<sup>th</sup> day from the date of listing and Aimtron Electronics Limited have 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- calendar days from listing			No. of IPOs trading at Premium- calendar days from listing			No. of IPOs trading at discount- 180th calendar days from listing			No. of IPOs trading at Premium- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	15 <sup>(1)</sup>	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	21 <sup>(2)</sup>	680.45	-	-	1	12	5	3	-	-	2	9	2	3
2024-25	9 <sup>(3)</sup>	347.01	-	-	-	4	1	3	-	-	-	-	-	-

- 1) The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08,

*2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;*

- 2) *The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023, E Factor Experiences Limited was listed on October 09, 2023, Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023, Deepak Chemtex Limited was listed on December 06, 2023, S J Logistics (India) Limited was listed on December 19, 2023, Siyaram Recycling Industries Limited was listed on December 21, 2023, Shanti Spintex Limited was listed on December 27, 2023, Shri Balaji Valve Components Limited was listed on January 03, 2024, New Swan Multitech Limited was listed on January 18, 2024, Harshdeep Hortico Limited was listed on February 05, 2024, Megatherm Induction Limited was listed on February 05, 2024, Sona Machinery Limited was listed on March 13, 2024 and Enfuse Solutions Limited was listed on March 22, 2024;*
- 3) *The scrip of Aspire & Innovative Advertising Limited was listed on April 03, 2024, Blue Pebble Limited was listed on April 03, 2024, Amkay Products Limited was listed on May 08, 2024, TGIF Agribusiness Limited was listed on May 15, 2024, Energy-Mission Machinerics (India) Limited was listed on May 16, 2024, Aztec Fluids & Machinery Limited was listed on May 17, 2024, Premier Roadlines Limited was listed on May 17, 2024, Vilas Transcore Limited was listed on June 03, 2024 and Aimtron Electronics Limited was listed on June 06, 2024.*

**Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 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, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her 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 June 24, 2024 and the Underwriting Agreement dated June 24, 2024 entered into between the Underwriters and our Company and the Market Making Agreement dated June 24, 2024 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, 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, 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 Underwriters and their respective directors, officers, agents,

affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares 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 Draft 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 Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra 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 Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any 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 NSE Emerge of NSE:**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] 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 NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; 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 Regulation S 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 Regulation S 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 Offer Document with the Designated Stock Exchange/SEBI/ROC**

The Draft Red Herring Prospectus is being filed with EmERGE Platform of National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.



The Draft Red Herring Prospectus will 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 26 & 32 of the Companies Act, 2013 was filed to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>.

#### **Listing:**

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE Emerge (NSE SME platform).

NSE 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 NSE Emerge is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft 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 NSE Emerge platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the 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 Subject to applicable law.

#### **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 (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker to the Issue (Sponsor Bank)\*, Legal Advisor to the Issue, Syndicate Member\*, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of filing of the Prospectus with the RoC.

*\*The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Mittal & Associates, Chartered Accountants, Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated Consolidate Financial Statements as included in this Draft 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 this Draft Red Herring Prospectus with the RoC.

#### **Experts Opinion**

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

- i) Our Company has received consent from the Mittal & Associates, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory

Auditors, and in respect of (a) Auditors' reports on the restated financial statements; and (b) Statement of Special Tax Benefits (c) Statement of Financial Indebtedness. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus, and;

- ii) Our Company has received consent from the A. D. Joshi Chartered Engineers & Valuers LLP, Chartered Engineer to include their name as required under Section 26 of the Companies Act read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert”, as defined under Section 2(38) of the Companies Act to the extent and in their capacity as an independent chartered engineer, in relation to the certificate, certifying, inter alia, the details of the installed and production capacity of our manufacturing facilities. Such consent has not been withdrawn as on the date of this Draft 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) Book Running Lead manager Agreement dated June 24, 2024 with the Book Running Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated June 24, 2024 with Underwriter and (iii) the Market Making Agreement dated June 24, 2024 with Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00 A.M. to 5.00 P.M. on Working Days from the date of the Draft Red Herring Prospectus until the 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 June 24, 2024 a copy of which is available for inspection at our Company’s Corporate 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 Draft Red Herring Prospectus.

**Previous issues of Equity Shares otherwise than for cash:**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 54 of this Draft 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 in last five (5) years.

**Particulars in regard to our Company and other listed subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-à-vis object**

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. Therefore, data regarding promise versus performance is not applicable to us.

**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:**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

### **Partly Paid-Up Shares:**

As on the date of this Draft 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 Draft Red Herring Prospectus.

### **Stock Market Data of the 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 investors complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there is no investor complaint received, none are pending as on the date of filing of this Draft 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 fifteen (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 Gourav Mundra, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer will be updated prior to filing of Prospectus with ROC and NSE:

#### **Gourav Mundra**

#### **Unilex Colours and Chemicals Limited**

**Address:** 106-107, Advent Atria, Chincholi Bunder Road, Malad (West), Mumbai-400064, Maharashtra, India

**Tel. No.:** +91-22- 28886235

**Email:** [cs@unilexcolours.in](mailto:cs@unilexcolours.in)

**Website:** <https://unilexcolours.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 May 13, 2024 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled “*Our Management*” beginning on page 116 of this Draft 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 Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft 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 79 of this Draft Red Herring Prospectus.

**Purchase of Property:**

Other than as disclosed in Section “*Our Business*” beginning on page 91 of this Draft 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 Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft 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:**

Except as disclosed under section titled “*Capital Structure*” beginning on page 54 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

**Revaluation of Assets:**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

**Servicing Behavior:**

Except as stated in this Draft, 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 in chapter titled “*Our Management*” beginning on page 116 and chapter titled “*Financial Information*” beginning on page 137 of this Draft 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:**

Our Company has not undertaken any exemption with related to provision of securities law 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 Draft Red Herring Prospectus, Prospectus, Bid cum 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 Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer 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 Offer 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 Offer.*

*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 UPI 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 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid cum 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 upto 36,00,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on March 06, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on March 12, 2024 in accordance with the provision 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 239 of this Draft 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 Obligations and Disclosure Requirements) 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 136 and 239 respectively of this Draft 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 [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Marathi edition of [●], 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.

### **Compliance with SEBI (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 Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association 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 239 of this Draft 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 October 10, 2019 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated February 05, 2024 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 NSE (SME platform of NSE) 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 Bidders in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the 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 the monies collected shall be unblocked forthwith.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Mumbai, Maharashtra.

**The Equity Shares have not been and will not be registered under the Securities Act 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 Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and 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 Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, 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 Bidder 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/ Offer Opening Date	[●] <sup>(1)</sup>
Bid/ Offer Closing Date	[●] <sup>(2)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about [●]

**The above time table is indicative and does not constitute any obligation on our Company. 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 NSE Emerge platform is taken within Three Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company 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.**

*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 NSE Emerge 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 Draft 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. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

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 50 of this Draft 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 NSE 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 ₹ 25 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 NSE 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.

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, 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 SME Platform of NSE (NSE Emerge), wherein the Book Running Lead Manager 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 NSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled “**General Information - Details of the Market Making Arrangements for this Issue**” on page 51 of this Draft 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 National Stock Exchange of India 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 54 of this Draft 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 239 of this Draft Red Herring Prospectus.

**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 (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 Book Running Lead Manager 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 Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager 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 Draft 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 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 paid up 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 NSE Emerge i.e., SME platform of NSE). 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 202 and 211 of this Draft Red Herring Prospectus.

**Issue Structure:**

Initial Public Issue of upto 36,00,000 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 1,92,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of upto 34,08,000 Equity Shares of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute 26.44% and 25.03%, 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 [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares	Not less than [●] Equity Shares
<b>Percentage of Issue available for allocation</b>	[●] 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 Net Issue	Not less than 35% of the Net Issue
<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 Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.  Up to 60% of the QIB Portion (of up to [●] Equity Shares) 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	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares	Proportionate basis subject to minimum allotment of [●] Equity Shares

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
<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.

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid cum 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 211 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 Draft 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/ Prospectus with RoC.

### **Issue Program**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Offer Opening Date	[●] <sup>(1)</sup>
Bid/ Offer Closing Date	[●] <sup>(2)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about [●]

<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 Issue Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual Bidders.
- A standard cut-off time of 5.00 P.M. for uploading of applications received from only retail individual Bidders, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE 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.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays)

**ISSUE PROCEDURE**

All Bidders should read the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the SEBI UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid Cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of Confirmation of Allocation Note 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 bids in cases of individual, multiple bids 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.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("UPI Phase I"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days was applicable until further notice pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 ("UPI Phase II"). Thereafter, the final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("UPI Phase III") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 ("T+3 Notification"). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

Further, pursuant to SEBI master circular bearing reference no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 ("SEBI RTA Master Circular") and circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/P/2022/45) dated April 5, 2022, all individual bidders in initial public offerings whose Bid sizes are up to ₹500,000 shall use the UPI Mechanism for submitting their bids. Additionally, pursuant to circular (SEBI/HO/CFD/DIL2/P/CIR/2022/75) dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

SEBI vide 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, 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 Retail Individual Investors 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, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids 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 Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIIs ("UPI Phase III"), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no.

*SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022; applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.*

*Further, SEBI vide its circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

*Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. This shall be applicable voluntarily for all public issues opening on or after September 1, 2023 and shall be mandatory for all public issues opening on or after December 1, 2023. The Draft Red Herring Prospectus has been drafted in accordance with phase II of the UPI framework, and also reflects additional measures for streamlining the process of initial public offers. Please note that we may need to make appropriate changes in the Red Herring Prospectus and the Prospectus depending upon the prevailing conditions at the time of the opening of the Issue.*

*Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

*Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus.*

*Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.*

*The BRLM shall be the nodal entity for any issues arising out of public issuance process.*

*Further, our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.*

## **PART A**

### **Book Building Procedure**

The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 229(2) of the SEBI ICDR Regulations wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, 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 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 (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 to Non-Institutional Investors in accordance with the SEBI ICDR Regulations; 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 spill-over from other categories or a combination of categories.

**The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.**

**Bidder must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020, read with press releases dated June 25, 2021, and September 17, 2021 and March 30, 2022, read with press release dated March 28, 2023 Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN, and UPI ID, for UPI Bidders Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the issue, subject to compliance with Applicable Law.**

### **Phased implementation of UPI**

**SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The SEBI in its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, has reduced the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. The timeline was applicable on a voluntary basis for public issues opening on or after September 1, 2023 and has been made applicable on a mandatory basis for public issues opening on or after December 1, 2023. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:**

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase became applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever was later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, prescribed that all individual bidders applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**T+3 Notification**”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“**UPI Streamlining Circular**”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank



accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The processing fees for applications made by UPI Bidders 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/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹200,000 to ₹500,000 for UPI based ASBA in initial public offerings.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint Sponsor Banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the BRLM will be required to compensate the concerned investor.

#### **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 Corporate Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, 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 Book Running Lead Manager.

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 authorisation 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:

Category	Colour*
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 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 Draft 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 Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **Availability of Draft 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 Corporate 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 NSE ([www.nseindia.com](http://www.nseindia.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 Book Running Lead Manager.

### **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 Draft Red Herring Prospectus 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 Karta. 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 ₹ 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 ₹ 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 ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

**2. For Other than Retail Individual Bidders (Non-Institutional Bidders and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 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 ₹ 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 Draft 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 Draft 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 [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] 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 [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] 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 211 of this Draft 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 Bidders.

#### **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 Issue Opening Date and 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) working days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge 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 Corporate 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/ Prospectus and/ or the Bid Cum Application Form can obtain the same from our Corporate 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 Bidders 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 Bidders 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 under subscription 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 Draft 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 Draft 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 Draft 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: [●]
- b. In case of Non-Resident Anchor Investors: [●]
- 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 Draft 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 Draft 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 under subscription 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.

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
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 June 24, 2024
- b) A copy of Red Herring Prospectus/ Prospectus will be filed with the 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 Draft 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 Draft 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 Bidder 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 "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 ₹ 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 Bidder;
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 Draft Red Herring Prospectus.

## **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 Draft Red Herring Prospectus;
- 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 Draft Red Herring Prospectus;
- 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 Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus 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;
- Details of ASBA Account not provided in the Bid cum Application form; and
- Grounds of rejection to such applications which may be rejected by the exchange by its circular reference no: 07/2024 dated June 05, 2024. The relevant circular can be read at <https://nsearchives.nseindia.com/content/circulars/IPO62335.pdf>

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 Draft Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- 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 Red Herring Prospectus.

## **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 Draft Red Herring Prospectus. 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 Net 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 Net 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.
- Eher 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 NSE Emerge (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 Draft Red Herring Prospectus.

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 NSE.

The Executive Director / Managing Director of NSE - 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 NSE Emerge 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 Bidder 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, under subscription 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 Draft 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 October 10, 2019 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated February 05, 2024 between CDSL, the Company and the Registrar to the Issue;
- c) The Company's equity shares bear an ISIN INE0B2801011.

## **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 of 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 Issue 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 recognised 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 Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer 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 unauthorised. 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 Draft 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 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 Draft 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 regulation.

**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 February 06, 2024, 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-
    - a. "the Act" means the Companies Act, 2013,
    - b. "the seal" means the common seal of the company.
    - c. these regulations means these Articles of Association as originally framed or as altered from time to time.
  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.
- 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. any transfer of shares on which the company has a lien.
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
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. 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 subdivision 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-
- it 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 shall be the First Directors of the Company:
1. Mr. Purushottam Sharma
  2. Mr. Narendra Kotehall Parameswarappa
  3. Mr. Aditya Sharma
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.
- iv. 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 Draft 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 corporate office between 10 A.M. and 5 P.M. on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

**Material Contracts**

1. Agreement dated June 24, 2024 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated June 24, 2024 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated June 24, 2024 between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated June 24, 2024 between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated [●] between our Company, Book Running Lead Manager and Registrar to the Issue and Syndicate Members
7. Tripartite Agreement dated February 05, 2024 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated October 10, 2019 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 March 23, 2001 issued by the Registrar of Companies, Mumbai Maharashtra.
3. Fresh Certificate of Incorporation Consequent upon Change of Name dated April 14 2012 issued by the Registrar of Companies, Mumbai Maharashtra.
4. Copy of the Board Resolution dated March 06, 2024 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated March 12, 2024 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
7. Statutory Auditors Report dated June 26, 2024 on the Restated Financial Statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
8. Copy of the Statement of Special Tax Benefits dated June 27, 2024 from the Statutory Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated June 27, 2024.
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 July 06, 2024 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus dated [●] for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated July 06, 2024.
13. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the National Stock Exchange of India 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 Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Purushottam Brijlal Sharma Chairman & Whole-time Director DIN: 01416956	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Aditya Sharma Managing Director DIN: 00583133	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Narendra Parameswarappa Kotehall Whole-time Director DIN: 00590501	Sd/-

Date: July 06, 2024

Place: Mumbai



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Manojkumar Shyamsunder Sharma Executive Director DIN: 01375905	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Rohit Krishnakumar Sharma Executive Director DIN: 07500109	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Kabir Radheyshyam Sharma Executive Director DIN: 08377687	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Amit Kumar Mundra Independent Director DIN: 01491934	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Ketan Damji Saiya Independent Director DIN: 00425872	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Daya Amit Bansal Independent Director DIN: 10619274	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Shankarlal Kedarmal Agarwal Chief Financial Officer	Sd/-

Date: July 06, 2024

Place: Mumbai

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft 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 Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Gourav Mundra Company Secretary & Compliance Officer	Sd/-

Date: July 06, 2024

Place: Mumbai