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**RENOL POLYCHEM LIMITED**  
CIN: U22209GJ2024PLC147599

Registered office	Contact Person	Email & Telephone	Website
307, Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004	Mr. Ankur Rastogi Company Secretary & Compliance Officer	compliance@renolpolychem.com Contact No. +91- 9723780726	www.renolpolychem.com

**PROMOTERS OF OUR COMPANY: MR. BHAVESHBHAI MANSHUKHBHAI HARSODA AND MR. NAITIK BHAVESHBHAI HARSODA**

DETAILS OF THE ISSUE				
Type	Fresh Issue Size (₹ In Lakh)	OFS Size (By No. of Shares or by amount in ₹)	Total Issue Size	Eligibility
Fresh Issue	Upto 24,54,000 Equity Shares aggregating to ₹[●] Lakhs	Nil	Upto 24,54,000 Equity Shares aggregating to ₹[●] Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018, AS AMENDED

**DETAILS OF ISSUE 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/- each. The Floor Price, Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand of our Equity Shares by way of the Book Building Process, as disclosed in the “Basis for Issue Price” beginning on page no 29 on this DRHP, 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 or 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 titled “Risk Factors” beginning on page no. 29 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 this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE”) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an ‘in-principal’ approval letter dated [●] from NSE for using its name in the issue document for listing of our Company on the Emerge Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India (“NSE”)

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>CORPORATE MAKERS CAPITAL LIMITED</b>	Mr. Rohit Pareek/ Mr. Pawan Mahur	<b>Email id:</b> compliance@corporatemakers.in <b>Telephone:</b> +91 011 41411600

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b>	Mr. Anuj Rana	<b>Email Id:</b> ipo@skylinerta.com <b>Telephone:</b> 011-40450193-197 <b>Fax:</b> +91-11-26812683

**ISSUE PROGRAMME**

<b>ANCHOR PORTION ISSUE OPENS/CLOSES ON:</b> [●]*	<b>ISSUE OPENS ON</b> [●]*	<b>ISSUE CLOSES ON</b> [●]**^
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\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

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

^UPI mandate end time and date shall be at 5:00 pm on the Issue Closing Date.



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**RENOL POLYCHEM LIMITED**

CIN: U22209GJ2024PLC147599

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm converted into Private Limited Company under the name of “Renol Polychem Private Limited” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. Subsequently, the name of our company was changed from “Renol Polychem Private Limited” to “Renol Polychem Limited” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, Central Registration Centre. For details of incorporation, change of registered office of our Company, please refer to the section title “History and Corporate Structure” on page no 178 of this Draft Red Herring Prospectus.

**Registered Office:** 307, Sanskar Heights NR RA, Circle 150 FT Ring Road, Mavdi, Rajkot, Gujarat- 360004

**Telephone:** +91-9723780726; **Website:** [www.renolpolychem.com](http://www.renolpolychem.com); **E-mail:** [compliance@renolpolychem.com](mailto:compliance@renolpolychem.com)

**Company Secretary and Compliance Officer:** Mr. Ankur Rastogi

**OUR PROMOTERS: MR. BHAVESHBHAI MANSHUKHBHAI HARSODA AND MR. NAITIK BHAVESHBHAI HARSODA**

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC ISSUE OF UPTO 24,54,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF RENOL POLYCHEM LIMITED (“RPL” OR 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 ₹[●] LAKHS (“THE ISSUE”), OF WHICH 1,23,600 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF 23,30,400 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A ISSUE PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.89% AND 29.34% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF OUR EQUITY SHARES IS ₹ 10/- EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER.**

The price band and the minimum bid lot will be decided by our Company, in consultation with the book running lead manager and will be advertised in all editions of [●] (which are widely circulated in Rajkot (Gujarat) English daily newspaper) and all editions of [●] (which are widely circulated in Rajkot (Gujarat) daily newspaper) and all editions of [●] the regional language of Rajkot (Gujarat), where our registered office is located), at least two working days prior to the bid/ issue opening date and shall be made available to National Stock Exchange of India Limited (“NSE”, “stock exchange”) for the purpose of uploading on their respective website.

In case of any revision in the Price Band, the Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing extend the Issue Period for a minimum of three Working Days, subject to the Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised 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 as applicable.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company may, in consultation with the Book Running Lead Manager, may 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, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net 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. However, if the aggregate demand from Mutual Funds is less than 5.00% 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 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or 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” on page no 273 of this Draft Red Herring Prospectus.

**RISK IN RELATION TO FIRST ISSUE**

“This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10/- per Equity Shares and the Issue price/ floor price/ price band should not be taken 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 of our Company nor regarding the price at which the Equity Shares will be traded after listing.”

**GENERAL RISK**

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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no 29 of this Draft Red Herring Prospectus.

**ISSUER’S 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 this Issue; that the information contained in this 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 offered through the Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited (“NSE” i.e. “NSE EMERGE”). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended, our Company has received an in-principle approval letter dated [●] from NSE for using its name in the Offer document for listing of our shares on the Emerge Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

**BOOK RUNNING LEAD MANAGER**

**REGISTRAR TO THE ISSUE**



**CORPORATE MAKERS CAPITAL LIMITED**  
611, 6<sup>th</sup> Floor, Pragati Tower, Rajendra Place, New Delhi- 110008  
**Telephone:** 011 41411600  
**Email:** [compliance@corporatemakers.in](mailto:compliance@corporatemakers.in)  
**Website:** [www.corporatemakers.in](http://www.corporatemakers.in)  
**Investor Grievance Email:** [info@corporatemakers.in](mailto:info@corporatemakers.in)  
**Contact Person:** Mr. Rohit Pareek  
**SEBI Registration Number:** INM000013095  
**CIN:** U65100DL1994PLC063880

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020  
**Telephone:** 011 40450193-197  
**Fax:** +91-11-26812683  
**Email ID:** [ipo@skylinerta.com](mailto:ipo@skylinerta.com)  
**Investor grievance email:** [grievances@skylinerta.com](mailto:grievances@skylinerta.com)  
**Website:** [www.skylinerta.com](http://www.skylinerta.com)  
**Contact Person:** Mr. Anuj Rana  
**SEBI Registration Number:** INR000003241  
**CIN:** U74899DL1995PTC071324

**ISSUE PROGRAMME**

<b>ANCHOR PORTION ISSUE OPENS/ CLOSES ON [●]*</b>	<b>ISSUE OPENS ON: [●]*</b>	<b>ISSUE CLOSES ON: [●]**^</b>
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\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

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

***THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.***

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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 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, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. Further, Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under this section.*

*Notwithstanding the foregoing, terms used in of the chapters titled “Industry Overview”, “Key Industry Regulations and Policies”, “Statement of Possible Tax Benefits”, “Financial Information as Restated”, “Basis for Issue Price”, “History and Corporate Structure”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigations and Material Developments” and “Main Provision of Articles of Association” beginning on page nos 115, 167, 112, 205, 106, 178, 246, 238 and 348 respectively, of this Draft Red Herring Prospectus shall have the meaning ascribed to such terms in such sections.*

### GENERAL TERMS

Term	Description
"Renol Polychem Limited", "RPL", "Renol", "We" or "us" or "our Company" or "the Issuer " or "the Company"	Unless the context otherwise requires, refers to Renol Polychem Limited, a Company incorporated under the Companies Act, 2013 and having its registered office at 307, Sanskar Heights NR RA, Circle 150 FT Ring Road, Mavdi, Rajkot, Gujarat- 360004.

### COMPANY RELATED TERMS

Term	Description
AOA/ Articles / Articles of Association	Articles of Association of our Company.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee on July 26, 2024 in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder disclosed as such in the chapter titled “ <b>Our Management</b> ” beginning on page no 183 of this Draft Red Herring Prospectus.
Auditor/ Statutory Auditor/ Peer Review Auditor	The Statutory Auditors of our Company, being M/s K M Chauhan and Associates, Chartered Accountants holding a valid Peer Review certificate No. 015245 as mentioned in the section titled “ <b>General Information</b> ” beginning on page no 62 of this Draft Red Herring Prospectus.
Bankers/ Lenders to our Company	Such banks which are disclosed as bankers to the Company in the chapter titled “ <b>General Information</b> ” beginning on page no 62 of this Draft Red Herring Prospectus.
Board of Directors/ the Board / our Board	The director(s) on our Board, unless otherwise specified. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page no 183 of this Draft Red Herring Prospectus.
Chief Financial Officer/ CFO	Chief Financial Officer of our Company being Ms. Ekta Pravinbhai Tank.
CIN	Corporate Identification Number: U22209GJ2024PLC147599.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company, Mr. Ankur Rastogi.
Depositories	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.
Equity Shares	Equity Shares of our Company of Face Value of ₹10.00 each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders	Persons/ entities holding Equity Shares of our Company.
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed under section titled <b>“Financial Information as Restated”</b> beginning on page no 205 of this Draft Red Herring Prospectus.
HNI	High Net-worth Individual
Independent Director	A Non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being INEOVZX01015.
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 no 183 of this Draft Red Herring Prospectus
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Managerial Personnel/ Key Management Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled <b>“Our Management”</b> beginning on page no 183 of this Draft Red Herring Prospectus.
LLP	Limited Liability Partnership
Materiality Resolution	Resolution of the Board dated December 05, 2024 for identification of group companies, material creditors and material litigation, in accordance with the requirements of the SEBI ICDR Regulations.
MD	Managing Director being Mr. Bhaveshbhai Mansukhbhai Harsoda.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on December 05, 2024, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Renol Polychem Limited, as amended from time to time.
Non- residents	A person resident outside India, as defined under FEMA.
NAV	Net Asset Value.
NBFC	Non-Banking Financial Company as defined under Section 45-IC and 45-IF of the RBI Act, 1934.
NPA	Non-Performing Asset.
Nomination and Remuneration Committee	Nomination and Remuneration Committee of our Company as constituted vide the Board Meeting held on July 26, 2024 in accordance and Section 178 of Companies Act, 2013 and rules made thereunder.
Non-Executive Director	A Director not being an Executive Director.
NSE/ NSE Limited	National Stock Exchange Limited or Emerge Platform of NSE.
Promoter	Shall mean Promoter of Our Company i.e. Mr. Bhaveshbhai Mansukhbhai Harsoda and Mr. Naitik Bhaveshbhai Harshoda. For further details, please refer to section titled <b>“Our Promoters &amp; Promoters Group”</b> beginning on page no 198 of this Draft Red Herring Prospectus.
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed under section titled <b>“Our Promoters &amp; Promoters Group”</b> beginning on page no 198 of this Draft Red Herring Prospectus.
RBI Act	Reserve Bank of India constituted under the RBI Act.



Registered Office of our Company	The Registered Office of our Company is situated at 307 Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004.
RoC / Registrar of Companies, Ahmedabad, Gujarat	The Registrar of Companies, Ahmedabad, is situated at Registrar of Companies, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad, Gujarat- 380013.
Restated Financial Information/ Restated Financial Statement	The Restated Financial Information of our Company, which comprises the Restated Statement of Assets and Liabilities, the Restated Statement of Profit and Loss, the Restated Statement of Cash Flows, for the period ended on September 30, 2024, March 31, 2024, February 17, 2024, March 31, 2023 and March 31, 2022 of Renol Polychem Limited along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015 /SEBI Listing Regulations /Listing Regulations/ SEBI (LODR) Regulations	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.
Stakeholders' Relationship Committee	Stakeholder's Relationship Committee of our Company as constituted vide the Board Meeting held on July 26, 2024 in accordance Section 178 of Companies Act, 2013.
Stock Exchange	Unless the context requires otherwise, refers to, NSE Limited (Emerge Platform of NSE).
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.

## ISSUE RELATED TERMS

Term	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf.
Acknowledgment Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
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 Exchanges.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Applicant	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Bid	A Bid made by ASBA Bidder.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants.

Term	Description
Allottee (s)	The Successful applicant(s) to whom the Equity Shares are being/ have been issued /allotted.
Anchor Investor	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 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 Manager.
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.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Basis of Allotment	The basis on which Equity Shares will be allotted to successful applicants under the Issue and which is described in “ <b>Basis of allotment</b> ” under chapter titled “ <b>Issue Procedure</b> ” beginning on page no 273 of this Draft Red Herring Prospectus.
Banker to the Issue / Refund Banker/ Public Issue Bank	The bank which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being [.]
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid	An indication to make an Issue during the 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 Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Business Day	Monday to Friday (except public holidays).
Broker Centres	Broker Centres notified by the Stock Exchanges where 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.
Book Running Lead Manager / BRLM	Book Running Lead Manager to the Issue, in this case being Corporate Makers Capital Limited.
CAP Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalized and above which no Bids will be accepted.
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.



Term	Description
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE.
Circular on Streamlining of Public Issues/ UPI Circular	The 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, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number 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 Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
Controlling Branches	Such branches of SCSBs which coordinate Applications under the Issue with the BRLM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
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 Cutoff Price.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.
Designate Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue.
Depository/ Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Designated Stock Exchange	National Stock Exchange of India Limited.
DP ID	Depository Participants Identity Number.
Draft Red Herring Prospectus/ DRHP	This Draft Red Herring Prospectus dated December 20, 2024, issued in accordance with Section 26 and 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to subscribe to the Equity Shares.

Term	Description
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
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.
Emerge Platform of National Stock Exchange of India Limited	The Emerge Platform of National Stock Exchange of India Limited for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as a National Stock Exchange of India Limited Emerge on October 14, 2011.
Engagement Letter	The engagement letter dated May 20, 2024 between our Company and the BRLM.
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst our Company, the Registrar to the Issue, the Book Running Lead Manager and Banker to the Issue and Sponsor Bank, to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Escrow Account(s)	Account(s) opened with the Bank(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) will be opened, in this case being [●].
First Applicant	The Applicant whose name appears first in the 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 being [●], subject to any revision(s) thereto, not being less than the face value of Equity Shares and the Anchor Investor Issue Price, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under 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.
Fresh Issue	The Fresh Issue of Upto 24,54,000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the Book Running Lead Manager.
GIR Number	General Index Registry Number
Issue Agreement	The agreement dated August 27, 2024 amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Opening	The date on which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Closing	The date after which the Book Running Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]

Term	Description
Issue Period	<p>The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>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.</p>
IPO	Initial Public Offering.
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offering/ IPO/ Public Issue	The Public Issue of 24,54,000 Equity Shares of ₹ 10/- each at ₹[●] per Equity Shares including Share Premium of ₹[●] per Equity Share aggregating to ₹[●] Lakhs by Renol Polychem Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Book Running Lead Manager under the Red Herring Prospectus and the Prospectus being ₹[●] per share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page no 87 of this Draft Red Herring Prospectus.
KPI	Key Performance Indicator
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the Emerge Platform of National Stock Exchange of India Limited (“NSE Emerge”).
Market Maker	The Market Maker to the Issue, in this case being [●].
Market Maker Agreement	The Agreement entered into between the Market Maker and our Company dated [●].
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion (other than anchor allocation), 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.
NCLT	National Company Law Tribunal.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 1,23,600 Equity Shares of ₹10/- each at ₹[●] per Equity Share including share premium of ₹[●] per Equity Share aggregating to ₹[●] Lakhs by Renol Polychem Limited.
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Issue. For further information about use of the Issue Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” on page no 87 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors/ Non-Institutional Bidders/ NIB’s	All Applicants that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs).
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).

Term	Description
Non Retail Portion including Qualified Institution Buyers (NRII)	The remaining portion of the Net Issue, after retails portion, being not more than 50% of the Net issue which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.
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 ₹ [●]. 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 at least two working days prior to the Bid / Issue Opening Date.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue opening and closing dates, the size of the Issue and certain other information
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Issue Price.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
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 Issue Price (for Anchor Investors).
Red Herring Prospectus / RHP	The Red Herring Prospectus dated [●] issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Registered Brokers	Stockbrokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Refund Account	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar/ Registrar to the Issue	Registrar to the Issue being Skyline Financial Services Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors/ (RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹ 2,00,000/.
Retail Portion	The portion of the Net Issue being not less than 50% of the Net Equity Shares which shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations.



Term	Description
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and NonInstitutional Investors are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Applications during the Issue Period and withdraw their Applications until Issue Closing Date.
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018.
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System.
SEBI Master Circular	The SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://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. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or at such other websites as may be prescribed by SEBI from time to time. In relation to 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 Application Forms from the members of the Syndicate is available on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) as updated from time to time. In accordance with 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Applicants, a list of which will be included in the Application Form.
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchange	National Stock Exchange of India Limited.
Systemically Important Non-Banking Financial Companies	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 a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	The Underwriter to the Issue, in this case being [●].
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated [●]

Term	Description
UPI	Unified Payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidder	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non- Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the websites of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circular	The 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, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number 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 Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Willful Defaulter	Willful defaulter as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the Mumbai city as specified in the Red Herring Prospectus are open for business:  1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Draft Red Herring Prospectus are open for business. 2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

## TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
CPW	Chlorinated Paraffins Wax
CR	Chlorinated Rubber
DOP	Diocetyl Phthalate
DBP	Dibutyl phthalate
NBS	Normal Butyl Stearate



Term	Description
OB	Optical Brightener
PVC	Polyvinyl chloride
EVA	Ethylene-Vinyl Acetate
HDPE	Thermoplastic polymer produced from the monomer ethylene
SBR	Styrene Butadiene Rubber
EPDM	Ethylene Propylene Diene Monomer
NBR	Nitrile Butadiene Rubber/Polyvinyl Chloride
ABS	Acrylonitrile Butadiene Styrene
LDPE	Low-Density Polyethylene
HDPE	High-density polyethylene
PP	Polyethylene
PS	Polystyrene
HIPS	High Impact Polystyrene
PA	Polyamide
PC	Polycarbonate
DPIIT	Department for Promotion of Industry and Internal Trade
Discom	Distribution Companies
DRE	Distributed Renewable Companies
EPC	Engineering, Procurement, and Construction
ERP	Enterprise Resource Planning
EV	Electronic Vehicles
GW	Giga Watt
ICAT	International Centre for Automotive Technology
iOS	iPhone Operating System
MNRE	Ministry of New and Renewable Energy, Government of India
MW	Mega Watts
SAAS	Software as a Service
UI	User Interface
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016, as amended from time to time
Bn	Billion
CSR	Corporate Social Responsibility
CAGR	Compounded Annual Growth Rate
CPI	Consumer Price Index
CPVC	Chlorinated Polyvinyl Chloride
CRAR	Capital Adequacy Ratio
DGFT	Directorate General of Foreign Trade
ECB	External Commercial Borrowing
FDI	Foreign Direct Investment
FTA	Foreign Tourist Arrivals
GDP	Gross Domestic Product
GPS	Global Positioning System
IIP	Index of Industrial Production
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of account and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LAP	Loans against Property
PE	Private Equity
PMI	Purchasing Managers' Index
PP	Polypropylene
PVC	Poly Vinyl Chloride
SLR	Statutory Liquidity Ratio
Total Assets	Total Assets of our Company
US	United States of America
UPVC	Unplasticized Polyvinyl Chloride
WPC	Wood-Plastic Composite
VC	Venture Capital

## CONVENTIONAL AND GENERAL TERMS

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
AO	Assessing Officer.
AMC	Asset Management Company
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
Associate	A person who is an associate of the offeror and as defined under the Companies Act, 2013
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I foreign portfolio investor(s)	FPIs who are registered as "Category I Foreign Portfolio Investor" under the SEBI FPI Regulations.
Category II foreign portfolio investor(s)	FPIs who are registered as "Category II Foreign Portfolio Investor" under the SEBI FPI Regulations.
Category III foreign portfolio investor(s)	FPIs who are registered as "Category III Foreign Portfolio Investor" under the SEBI FPI Regulations.
Client ID	The client identification number maintained with one of the Depositories in relation to Demat account.
Companies Act, 1956	Companies Act, 1956 ( <i>without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013</i> ) along with the relevant rules made thereunder.
Companies Act/ 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.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	The current consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Depositories Act	The Depositories Act, 1996.
Equity Listing Agreement/ Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and National Stock Exchange of India Limited.
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations ( <i>defined later</i> ).
Financial Year/ Fiscal/ Fiscal Year/ F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations ( <i>defined later</i> ) and registered with SEBI under applicable laws in India.
Fugitive economic offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016.

LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Prospectus.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI Listing Regulations / SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SARFESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporates or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.

## GENERAL TERMS/ ABBREVIATIONS

Term	Description
₹, Rs. or Rupees or INR	Indian Rupees
A/c	Account
AMT	Amount
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
ASBA	Applications Supported by Blocked Amount
A.Y.	Assessment year
AOA	Articles of Association
Approx.	Approximately
B.A.	Bachelor of Arts
B. Com	Bachelor in Commerce
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Lending Rate
NSE	National Stock Exchange Limited
NSE (NIFTY)	NIFTY is an index; market indicator of the position of stock that is listed in the NSE.
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note

CA	Chartered Accountant
CC	Cash Credit
Cr	Crore
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CARO	Companies (Auditor's Report) Order, 2003
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CLB	Company Law Board
CrPC	Criminal Procedure Code, 1973, as amended
CSR	Corporate Social Responsibility
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
ECS	Electronic Clearing System
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation
ESIC	Employee's State Insurance Corporation
EGM	Extraordinary General Meeting of the Shareholders of the Company
EPS	Earnings Per Share
ESOS	Employee Stock Option Scheme
EXIM/EXIM Policy	Export-Import Policy
FIPB	Foreign Investment Promotion Board
FBT	Fringe Benefit Tax
GAAR	General anti avoidance rules
GIR	General index register
GST	Goods and Services Tax
GoI/Government	Government of India
HNI	High Net worth Individual
HSC	Higher Secondary Certificate
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IIP	Index of Industrial Production
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
ISO	International Organization for Standardization
IT Act	The Income Tax Act, 1961, as amended
IT Rules	The Income Tax Rules, 1962, as amended
IRDA	Insurance Regulatory and Development Authority
ICSI	The Institute of Company Secretaries of India
Ltd.	Limited
M.B.A.	Master of Business Administration
MoF	Ministry of Finance, Government of India
MCA	Ministry of Corporate Affairs, Government of India
MoU	Memorandum of understanding
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MVAT	Maharashtra Value Added Tax Act
N.A.	Not Applicable
NAV/ Net Asset Value	Net asset value being paid up equity share capital plus free reserves ( <i>excluding reserves created out of revaluation</i> ) less deferred expenditure not written off ( <i>including miscellaneous expenses not written off</i> ) and debit balance of profit and loss account, divided by number of issued Equity Shares.
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.
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NPV	Net Present Value
NoC	No Objection Certificate
No.	Number
NR	Non-resident
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
P.A.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PF	Provident Fund
PSU	Public Sector Undertaking(s)
P/E Ratio	Price per earnings ratio
Pvt.	Private
RBI	Reserve Bank of India
ROE	Return on Equity
RoC	Registrar of Companies
RONW	Return on Net Worth
RTGS	Real time gross settlement
SME	Small and Medium Enterprises
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
SSC	Secondary School Certificate
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
SCSB	Self-certified syndicate bank
UIN	Unique identification number
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
w.e.f.	With effect from
Willful Defaulter	A willful defaulter, as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, means a person who or which is categorized as a willful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guideline on willful defaulter issued by the RBI.
-, ()	Represent Outflow

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

Notwithstanding the foregoing, terms in the sections "*Statement of Possible Tax Benefits*", "*Financial Statements as Restated*" and "*Main Provision of Articles of Association*" beginning on page no 112, 205 & 308 respectively, shall have the meaning given to such terms in such sections.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to “India” in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references in this Draft Red Herring Prospectus to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Thousand means One Thousand”, “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. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

### Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Statements which includes Restated Standalone Financial information of Renol Polychem Limited for the period ended September 30, 2024, March 31, 2024, February 17, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in this Draft Red Herring Prospectus, and set out in the section titled “**Financial Information as Restated**” beginning on page no 205 of this Draft Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Years are to the twelve-month period ended March 31 of that year. In this Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

Our Company was incorporated on January 09, 2024 and post incorporation the Company has applied to obtain the Goods and Service Tax (GST) number, which was issued by the relevant authority on February 08, 2024. In view of GST credit issue of previous entity namely Renol Enterprises, the Company has not undertaken any transaction till February 17, 2024 to prepare and close the financial statement as on that date. Therefore, our Company has commenced the business operation from February 17, 2024 and accordingly prepared separate financials of fiscal year 2023-24 i.e. from April 01, 2024 to February 17, 2024 and from February 18, 2024 to March 31, 2024.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Information**” beginning on page nos 29, 140 and 223, respectively of this Draft Red Herring Prospectus and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.



## Use of Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained and derived 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 no 106 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 and units of presentation

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to:

- i **‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.**
- ii ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America,
- iii EURO or "€" are Euro currency,

All references to the word ‘Thousand’ means ‘One thousand’, ‘Lakh’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

In accordance with the SEBI (ICDR) Regulations, the chapter titled **“Basis for Issue Price”** beginning on page no 106 of this 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.

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## FORWARD LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical facts constitute “*forward looking statements*”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in this Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

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. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Experience delays and/or defaults in client payments, we may be unable to recover all expenditures;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- Our business and financial performance is particularly based on market demand and supply of our products/ services;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Inability to successfully obtain registrations in a timely manner or at all;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- Concentration of ownership among our Promoters.
- The performance of the financial markets in India and globally;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, please refer to the sections / chapters titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Information**” beginning on page nos 29, 140 and 223 respectively of this 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 gains or losses could materially differ from those that have been estimated.

Forward looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes 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.

None of our Company, the Directors, the BRLM, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF ISSUE DOCUMENT

The following is a general summary of the terms of the Issue included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Industry Overview*”, “*Our Business*”, “*Our Promoters and Promoter Group*”, “*Financial Statements as Restated*”, “*Outstanding Litigation and Other Material Developments*” and “*Issue Procedure*” on page no 29, 56, 72, 87, 115, 140, 198, 205, 238 and 273 respectively of this Draft Red Herring Prospectus.

### Overview of Business

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad (Gujarat). Subsequently, the name of our company was changed from “**Renol Polychem Private Limited**” to “**Renol Polychem Limited**” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U22209GJ2024PLC147599, please refer to Chapter titled “*History and Corporate Structure*” on page no 178 of this Draft Red Herring Prospectus.

### A. PRIMARY BUSINESS OF OUR COMPANY

Our Company is engaged in the manufacturing of colour masterbatches, colour pigment, filler granule, anti-moisture powder, carbon noodles, superpack & onepack, impact modifier, processing AID and titanium dioxide. We started our operations/ business at Rajkot in 2008 and commenced our manufacturing operations in 2020. Our company also specializes in manufacturing of customized masterbatch to suit the specific requirements of our customers/ manufacturers.

We are also providing solutions such as all-in-one additive containing stabilisers, impact modifier, color pigments etc. to help the manufactures/ producers of UPVC, & CPVC pipes, Pipe fittings and manufacturing plastic products.

For detailed information on our business activities, please refer to Chapter titled “*Our Business*” beginning on page no 140 of this Draft Red Herring Prospectus.

### B. INDUSTRY IN WHICH OUR COMPANY OPERATES

Our Company operates in masterbatch industry & pigment market. An increasing demand from packaging sector, rising investments in commercial and residential ventures, and higher usage of polyvinyl chloride (PVC) and chlorinated polyvinyl chloride (CPVC) is expected to grow at a CAGR 4.8% from 2024 to 2030, reaching nearly USD 17.22 million.\*.

*Source- <https://www.maximizemarketresearch.com/market-report/india-master-batch-market>*

Major growth drivers for the India masterbatch market include an increasing need for inventive and appealing packaging techniques. Notably, the increasing integration of masterbatch in sectors, such as agriculture, healthcare, aerospace, automotive, and consumer goods, plays a pivotal role in propelling the growth of India's masterbatch market. The expanding real estate industry is driving substantial requests for wiring and cable applications within commercial establishments, consequently stimulating the masterbatch demand.

For more details, please refer chapter titled “*Industry Overview*” beginning on page no 115.

## C. OUR PROMOTERS

Promoters of our company are Mr. Bhaveshbhai Mansukhbhai Harsoda and Mr. Naitik Bhaveshbhai Harsoda. Our Promoters have rich experience of more than 15 years and 4 years respectively. For detailed information on our Promoters and Promoters Group, please refer to Chapter titled “*Our Promoters & Promoters Group*” beginning on page no 198 of this Draft Red Herring Prospectus.

## D. ISSUE SIZE

This is an Initial Public Issue of upto 24,54,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share (the “**Issue Price**”) aggregating to ₹ [●] lakhs (“**The Issue**”), of which 1,23,600 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs 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 23,30,400 Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is herein after referred to as the “**Net Issue**”. The Public Issue and the Net Issue will constitute 30.89% and 29.34% respectively of the post-issue paid up Equity Share capital of our Company.

## E. OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Capital Expenditure for purchase of machinery	Upto 560.00/-
2.	Repayment of certain borrowings	Upto 100.00/-
3.	To meet working capital requirements	Upto 1,515.00/-
4.	General Corporate Purpose	[●]/-
	<b>Total</b>	[●]/-

For further details please refer to the chapter titled “*Object of the Issue*” beginning on page no 87 of this Draft Red Herring Prospectus

## F. PRE & POST ISSUE SHAREHOLDING OF PROMOTER & PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 54,89,700 Equity shares of our Company aggregating to 99.99% of the pre-issue paid-up Share Capital of our Company.

The shareholding pattern of our Promoters and Promoters’ Group before and after the Issue is as under:

Sr. No.	Names	Pre-Issue		Post-Issue*	
		No. of equity shares held	As a % of Issued & Paid-up Capital	No. of equity shares held	As a % of Issued & Paid-up Capital
<b>Promoters</b>					
1.	Bhaveshbhai Mansukhbhai Harsoda	40,93,674	74.57	[●]	[●]
2.	Naitik Bhaveshbhai Harsoda	13,95,826	25.42	[●]	[●]
<b>Sub Total- A</b>		<b>54,89,500</b>	<b>99.99</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoters Group</b>					
3.	Hetalben Bhaveshbhai Harsoda	100	0.00	[●]	[●]
4.	Labhuben Mansukhbhai Harsoda	100	0.00	[●]	[●]
<b>Sub Total- B</b>		<b>200</b>	<b>0.00</b>	<b>[●]</b>	<b>[●]</b>
<b>Total Shareholding (A+B)</b>		<b>54,89,700</b>	<b>99.99</b>	<b>[●]</b>	<b>[●]</b>

\*Subject to finalization of basis of allotment

## G. SUMMARY OF FINANCIAL INFORMATION

Following are details as per the restated financial statements for the period ended September 30, 2024 and March 31, 2024, February 17, 2024, March 31 2023, March 31 2022 are as below:

(₹ In Lakh)

Sr. No.	Particulars	For the period ended				
		September 30, 2024	March 31, 2024	February 17, 2024	March 31, 2023	March 31, 2022
1.	Paid-up Share Capital	549.00	549.00	-	-	-
2.	Net Worth	1,088.90	869.30	246.24	270.63	188.09
3.	Total Net Revenue (Operations)	2,902.83	652.31	4,602.07	4,185.74	2,680.25
4.	Profits after Tax	219.16	153.39	241.07	72.81	15.75
5.	Earnings Per Share (In ₹)	4.00	2.79	-	-	-
6.	NAV Per Share (In ₹)	19.83	15.83	-	-	-
7.	<b>Total Borrowings</b>					
	Long Term	19.82	26.26	27.22	163.00	162.50
	Short Term	886.84	231.65	950.44	372.65	217.86

For detailed information on the “Financial Information as restated”, please refer on page no 205 of this Draft Red Herring Prospectus.

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

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

## I. OUTSTANDING LITIGATIONS

### Litigations/ Matters involving our Company:

There are no pending litigations involving our Company.

### Litigations/ Matters involving our Promoters and/or Directors:

Nature of Proceedings	Number of cases	Amount involved* (in ₹)
<b>Of the Company</b>		
Direct Tax (Income Tax)	-	-
Direct Tax (TDS)	-	-
Indirect Tax (GST)	-	-
<b>Of the Promoters and Directors</b>		
Mr. Bhaveshbhai Mansukhbhai Harsoda (Promoter and Director)	-	-
Mr. Naitikbhai Bhaveshbhai Harsoda (Promoter and Director)	-	-
Mr. Anandbhai Nalinbhai Pathak (Director)	1	370/-
Mrs. Nikita Gaurav Tank (Director)	-	-
Ms. Anjali Hukambhai Jeshani (Director)	-	-

For further details, in relation to the legal proceedings involving our Company, our Directors, and our Promoters, please refer to the section titled “**Outstanding Litigation and Material Developments**” and “**Risk Factors**” beginning on page no 238 and 29, respectively of this Draft Red Herring Prospectus.

## J. RISK FACTORS

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 investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “**Risk Factors**” beginning on page no 29 of this Draft Red Herring Prospectus.

## K. SUMMARY OF CONTINGENT LIABILITIES

Following is the summary of the Contingent Liabilities of the Company for the period ended September 30, 2024, March 31, 2024, February 17, 2024, March 31, 2023 and March 31, 2022:

(₹ In Lakh)

Particulars	As at				
	September 30, 2024	March 31, 2024	Feb 17, 2024	March 31, 2023	March 31, 2022
I. Contingent Liabilities					
(a) claims against the company not acknowledged as debt;					
(b) guarantees excluding financial guarantees; and	-	-	-	-	-
(c) other money for which the company is contingently liable.					
II. Commitments					
(a) estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-	-
(b) uncalled liability on shares and other investments partly paid					
(c) Other commitments					

As on the date of this Draft Red Herring Prospectus, the contingent liabilities are defined in the “**Financial Statements as Restated**” beginning on page no 205 of this Draft Red Herring Prospectus.

## L. SUMMARY OF RELATED PARTY TRANSACTIONS

### (a) List of Related Parties

Particulars	Name of Related Parties	Nature of Relationship
Directors and Key Managerial Personnel (KMP)	Bhaveshbhai Mansukhbhai Harsoda	Managing Director
	Naitik Bhaveshbhai Harsoda	Executive Director
	Ekta Pravinbhai Tank	Chief Financial Officer
	Ankur Rastogi	Company Secretary
	Anjali Hukambhai Jeshani	Non-Executive Non-Independent Director
Enterprises in which KMP/ Relatives of KMP can exercise significant influence Enterprises	Ripal Polymers	Partnership firm in which Directors are interested
	Renol Foods Private Limited	Company in which directors are interested
	Ramev Polyplast Private Limited	Company in which directors are interested
	Vibrant Industrial Park Limited	Company in which directors are interested
	Bhaveshbhai M Harsoda HUF	HUF in which directors are interested.
	Mansukhbhai D Harsoda HUF	HUF in which directors are interested.



Relative of KMP	Hetalben Bhaveshbhai Harsoda	Spouse of Mr. Bhaveshbhai Mansukhbhai Harsoda and Mother of Mr. Naitik Bhaveshbhai Harsoda
	Mansukhbhai Devjibhai Harsoda	Father of Mr. Bhaveshbhai Mansukhbhai Harsoda
	Labhuben Mansukhbhai Harsoda	Mother of Mr. Bhaveshbhai Mansukhbhai Harsoda
	Jignaben Rohitbhai Korat	Sister of Mr. Bhaveshbhai Mansukhbhai Harsoda
	Manjulaben Vekariya	Sister of Mr. Bhaveshbhai Mansukhbhai Harsoda
	Sumita Jagdishbhai Pambhar	Sister of Mr. Bhaveshbhai Mansukhbhai Harsoda
	Shaefali Bhaveshbhai Harsoda	Daughter of Mr. Bhaveshbhai Mansukhbhai Harsoda and Sister of Mr. Naitik Bhaveshbhai Harsoda
	Chhaganbhai N Ghanva	Bhaveshbhai Mansukhbhai Harsoda Spouse's Father
	Savitaben Chhaganbhai Ghanva	Bhaveshbhai Mansukhbhai Harsoda Spouse's Mother
	samirbhai Ghanva	Bhaveshbhai Mansukhbhai Harsoda Spouse's Brother
	Mitalben Manishbhai Vora	Bhaveshbhai Mansukhbhai Harsoda Spouse's sister
	Pravinbhai tank	Father of Ekta Pravinbhai Tank
	Bhanuben Pravinbhai Tank	Mother of Ekta Pravinbhai Tank
	Naimish Pravinbhai Tank	Brother of Ekta Pravinbhai Tank
	Jyoti Pravinbhai Tank	Sister of Ekta Pravinbhai Tank
	Hukambhai Jeshani	Father of Anjali Hukambhai Jeshani
	Rekhaben Hukambhai jeshani	Mother of Anjali Hukambhai Jeshani
	Dipesh Hukambhai Jeshani	Brother of Anjali Hukambhai Jeshani
	Sudhir Kumar Rastogi	Father of Ankur Rastogi
	Alka Rastogi	Mother of Ankur Rastogi
Nitika Garg	Spouse of Ankur Rastogi	

#### b) Transactions with Related Parties:

(₹ In Lakh)

Particular	Nature of Transaction	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
Bhaveshbhai Harsoda	M Salary to Director	9.00	15.00	10.00	12.25	15.50
Bhaveshbhai Harsoda	M Interest on partner capital	-	-	5.93	10.77	6.58
Pravinaben Pambhar	S Salary	-	-	6.25	12.25	15.50
Pravinaben Pambhar	S Interest on partner capital	-	-	7.80	11.18	7.77
Naitikbhai Harsoda	B Salary to Director	7.50	6.38	1.62	-	-
Ripal Polymers	Purchase of Goods	125.61	9.47	47.75	32.73	18.15

For detailed information on the related party transactions executed by our Company, please refer “Annexure-V.” appearing under Chapter titled “Financial Statement as Restated” beginning on page no 205. of this Draft Red Herring Prospectus.

#### M. FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other

person of securities of our Company other than in the normal course of 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 AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTERS IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS**

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

<b>Sr. No.</b>	<b>Name of Promoters</b>	<b>No. of Equity Shares Acquired</b>	<b>Weighted Average Price (in ₹)*</b>
1.	Bhaveshbhai Mansukhbhai Harsoda	40,93,674	12.52
2.	Naitik Bhaveshbhai Harsoda	13,95,826	12.52

\*Our Company has issued 45,90,000 bonus shares on March 08, 2024.

For further details, refer the section titled “*Capital Structure*” beginning on page no 72 of this Draft Red Herring Prospectus

#### **O. AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTERS**

<b>Sr. No.</b>	<b>Name of Promoters</b>	<b>No. of Equity Shares held</b>	<b>Average Cost of acquisition (in ₹)</b>
1.	Bhaveshbhai Mansukhbhai Harsoda	40,93,674	9.96
2.	Naitik Bhaveshbhai Harsoda	13,95,826	10.19

#### **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 SHARES FOR CONSIDERATION OTHER THAN IN 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:

<b>Date of Allotment</b>	<b>No. of Equity Share Allotted</b>	<b>Face Value (In ₹)</b>	<b>Issue Price (Including Premium if applicable) (In ₹)</b>	<b>Nature of Allotment</b>
March 08, 2024	45,90,000	10	Nil	Allotment of equity shares in the ratio of 51 bonus shares for each 10 equity shares

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

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

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

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

### SECTION III - RISK FACTORS

*An investment in 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 as Restated” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no 183 & 223 of this Draft Red Herring Prospectus 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 have material impact quantitatively;*
- 2. Some events may have material impact qualitatively instead of quantitatively;*
- 3. Some events may not be material individually but may be found material collectively;*
- 4. 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 no 29 and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no 223 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Financial Statements as restated” prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).*

#### **INTERNAL RISK FACTORS**

- 1. Extensive government regulation and the impact of plastics and related on the environment could have a severe impact on our ability to continue our business operations, which could adversely affect our business, results of operations and financial condition.*

We are engaged in the business of Manufacturing raw material used for plastic products based on products primarily plastic granuals, colour masterbatches, colour pigment, filer granule etc. The raw material utilized to manufacture these products predominantly consists of plastic. The increasing reliance of the world on plastics and plastic products and their impact on the environment, could lead to promulgation of stricter

government regulations and adoption of rigorous waste management rules which in turn may require us to make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Increased awareness of plastic pollution and its staggering impact on our environment might lead to imposition of complete or partial ban on the industrial usage of plastics or supply of plastics, which could have a severe impact on the operation of our manufacturing unit and our continued business operations. On happening of any of the abovementioned events, we may have to completely halt our business operations or reduce our production to comply with the prevalent government and industrial regulations.

In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Further, halting of our business operations could be construed as an event of default by our secured lenders as per the loan agreements executed by our Company, consequently we may be required to repay the outstanding secured loans, failure of which would authorise our lenders to take appropriate actions enlisted as consequences of defaults of such agreements. We cannot assure you that the above-mentioned events will not occur or if they occur, we will effectively be able to deal with such events. In the event, we are forced to shut down our manufacturing units or halt our business operations, the continuity of our business operations, revenue, result of operations and financial condition might be adversely affected. Further at present the government has not taken/ introduced any regulations which may impact operations of our Company. We cannot assure that we will not experience any impact of any regulations or guidelines, if any, issued by the government in future, which could adversely affect our business prospects, financial condition, cash flows and results of operations.

**2. *Our continued operations are critical to our business and any shutdown of our manufacturing unit may adversely affect our business, results of operations and financial condition.***

Our manufacturing unit is located at Rajkot, Gujarat. As a result, any local social unrest, natural disaster or breakdown of services and utilities in these areas could have material adverse effect on the business, financial position and results of our operations. Our Manufacturing units are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down our manufacturing unit for a prolonged period; it would adversely affect our earnings, our results of operations and financial condition as a whole.

In addition to the above if our manufacturing unit suffer losses as a result of any industrial accident, we may be forced to shut down our manufacturing unit which could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. Further, any contravention of or non-compliance with the terms of various regulatory approvals applicable to our manufacturing unit may also require us to cease or limit production until such noncompliance is remedied to the satisfaction of relevant regulatory authorities. Except shutdown of our manufacturing unit in Covid lockdown, our Company has not experienced any disruption due to shutdown of our manufacturing unit and not encountered any operational losses in the past as result of power failure, social unrest or natural disasters. However, we cannot assure you that we will not experience work disruptions in the future resulting from any dispute with our employees or other problems associated with our employees and the labor involved in our manufacturing unit, which may hinder our regular operating activities and lead to disruptions in our operations, which could adversely affect our business prospects, financial condition, cash flows and results of operations.

**3. *In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on September 30, 2024, our Company's total indebtedness is ₹ 906.66 lakhs. In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favourable terms. Increased borrowings, if any, may adversely affect our debt-equity ratio and our ability to borrow at competitive rates. In addition,

we cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget our working capital requirements, which may lead to delays in arranging additional working capital requirements, loss of reputation, levy of liquidated damages and can cause an adverse effect on our cash flows. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company, could trigger cross default provisions, penalties, acceleration of repayment of amounts due under such facilities which may cause an adverse effect on our business, financial condition and results of operations. However, in past the Company has raised required debt and/or equity funding with substantial comfort to support the business growth, there can be no assurance that we will be able to raise additional financing on favorable terms in a timely manner or at all. If we are unable to raise additional funds whenever required, or on terms favorable/acceptable to us, we may be required to scale down or abandon our expansion & growth plans and/or reduce capital expenditures and the size of our operations, any of which could materially and adversely affect our business, financial position and result of operations. For details of our indebtedness, please refer to the chapter titled **“Financial Indebtedness”** on page no 235 of this Draft Red Herring Prospectus.

**4. Substantial portion of our revenues has been dependent upon few clients. The loss of any one or more of our major clients would have a material effect on our business operations and profitability.**

For the period ended September 30, 2024, our top ten Customers accounted for approximately 40.87%, of our revenue from operations. However, the loss of any significant client would have a material effect on our financial results.

Our business from customers is dependent on our continuing relationship with such customers, the quality of our products and our ability to deliver their orders on time, there can be no assurances that such customers will continue to do business with us in the future on commercially acceptable terms or at all. However, in case of any change in the buying pattern of our end users or disassociation of major customers can adversely affect our business or if our customers do not continue to purchase products from us, or reduce the volume of products purchased from us, our business prospects, results of operations and financial condition may be adversely affected. Further, loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. Our Company’s customer base is quite extensive, with an average of 650 customers over the past three years. At present the departure of any customer has not materially impacted operations of our Company. However, we cannot assure that we will not experience any impact of departure of majority of our customers in future, which could adversely affect our business prospects, financial condition, cash flows and results of operations. For further details, see **“Our Business”** on page no 242 of this Draft Red Herring Prospectus.

**5. Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.**

Our Company has experienced negative net cash flow in operating, investing and financing activities in the past, the details of which are provided below:

(₹ In Lakhs)

Particulars	September 30, 2024	March 31, 2024		March 31, 2023	March 31, 2022
		From February 17, 2024 to March 31, 2024	From April 01, 2023 to February 17, 2024		
Net Cash Flow from/ (used in) Operating Activities	(588.57)	120.20	41.92	(111.04)	22.28
Net cash generated from/(used in) investing activities	(24.32)	Nil	(35.17)	1.64	(1.54)
Net Cash Flow from/ (used in) Financing Activities	623.40	(29.84)	(7.81)	115.00	(19.64)

### **Reasons of Negative Cash Flow:**

#### **From Operating Activities**

As part of our expansion plan, the enterprise purchased additional raw materials for smooth operations in Financial year 2022-2023, leading to a higher closing stock of raw materials. Additionally, to support this expansion, Company relaxed their credit policies, which resulted in an increase in trade receivables.

#### **From Investing Activities**

The negative cash flow from investing activities in Financial Year 2021-22 is mainly a result of purchase of fixed assets such as air cooler, computer and software, invertor and machinery.

The negative cash flow from investing activities in Financial Year 2023-24 is mainly a result of our investment in purchase of vehicle.

#### **Stub period (period ended September 30, 2024)**

To facilitate the import of raw materials, the Company had established a fixed deposit with IndusInd Bank Limited, which acts as collateral security for a letter of credit. This investment in Fixed Deposit and expenses incurred towards purchase of equipments and other goods which are used for administrative purpose has resulted in negative cashflow from investing activities.

#### **From Financing Activities**

The negative cash flow from Financing activities in Financial Year 2021-22 is mainly a result of reclassification of trade receivable as other non- current assets. The debtors which are reclassified are all genuine debtors and are dealing with the company for a long time and none of them are likely to be bad debts.

For the financial year 2023-2024, the Company repaid its secured borrowings, which resulted in a negative cash flow from financing activities.

#### **Stub period**

In Stub Period Company has given advances, which resulted in a negative cash flow from financing activities.

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

6. ***Our Registered Office, manufacturing unit and warehouse(s) are located on rental premises. If we are unable to renew such rent agreements or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.***

As on the date of this Draft Red Herring Prospectus, our Registered Office, manufacturing unit and warehouse are located on properties taken on rent basis from related entities and third parties in which promoters are interested. We operate our business from the following places.

S. No.	Particular of the property description	Name of Lessor	Interest with Company	Area (sq ft)	Rent Amt (In ₹)	Tenure of Lease	Usage
1.	307, Sanskar Heights NR RA, Circle 150 Ft Ring Rd, Mavdi, Rajkot, Gujarat-360004	Bhaveshbhai Mansukhbhai Harsoda	Promoter & Managing Director of Company	380	6,000/- per month	11 months wef July 01, 2024	Registered Office

2.	Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat-360022	M/s Ripal Polymers	Entity in which promoter is Interested	4500	6,000/- per month	11 months wef July 01, 2024	Manufacturing Unit
3.	Shed No 1 & 3 on Plot No. 10, Kothariya Residence no. 238, Rajkot, Gujarat- 360030.	Hetalben Bhaveshbhai Harsoda	Wife of Promoter of Company	1600	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
4.	Shed No 4 & 5 on Plot No- 10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat- 360030	Bhaveshbhai Mansukhbhai Harsoda	Promoter and Managing Director of Company	3600	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
5.	Shed No 1 & 2 on Plot No-10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat- 360030	Bhaveshbhai Mansukhbhai Harsoda	Promoter and Managing Director of Company	4000	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
6.	Shed on Plot No- 8/9, Veraval Residence No. 162/3 (Old Residence no.128) Kotada Sangani, Rajkot, Gujarat- 360030	Bhaveshbhai Mansukhbhai Harsoda	Promoter and Managing Director of Company	2500	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose

Such agreements may be terminated upon the expiry of their tenure and may not be renewed. If these agreements are terminated or revoked or if we are unable to renew these agreements on commercially reasonable terms or at all, we may suffer significant disruptions to our operations and incur considerable costs to relocate and move our operations elsewhere. Any inability on our part to timely identify a suitable location to relocate could have an adverse impact on our business. The effect of non-registration of an instrument is that the title to the property does not transfer in favor of the transferee and therefore, making the instrument unenforceable. The Company has not experienced any conflict of interest between the lessor of the immovable properties which are significant for us, with our Company, its directors, shareholders, promoter, promoter group, key managerial personnel or group company, if any. Any potential future conflict of interest, if any may adversely impact the operations of our Company.

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

We may require certain statutory and regulatory approvals, licenses, registrations and permissions and applications need to be made at the appropriate stages for our business to operate. Some of approvals are



granted for fixed periods of time or with certain restrictions and need renewal from time to time. We are required to renew such permits, licenses and approvals. Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied with by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations, or penal action be taken against our Company and its officers in default and may have a material adverse effect on our business. Although we have not experienced any non-compliance or loss due to not obtaining and renewing the requisite statutory and regulatory permits and approval required to operate our business, we cannot assure that there will not be any disruptions in our business operation in future. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change, we may incur increased costs, be subject to penalties or suffer a disruption in our business activities, any of which could adversely affect our results of operations. For further details, see **“Government and Other Statutory Approvals”** on page no 242 of this Draft Red Herring Prospectus.

**8. There have been certain instances of non-compliances in respect of ROC filing or payments. Any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of all applicable law and other law could impact on the financial position of the Company to that extent.**

The Company has generally complied with certain statutory provisions and there are the following discrepancies observed under provisions of Companies Act, 2013.

- *Error in filing of e-form PAS-3, with ROC, Ahmedabad for the allotment of 2,27,776 equity shares wherein the date of Board resolution is mentioned as 20-02-2024 whereas the date of allotment is mentioned as 05-03-2024.*

Additionally, we have strengthened our internal compliance system by introducing the ‘Maker Checker’ System and have undertaken steps to update the internal database with latest circulars and amendments to ensure future compliance. In the event the Company fails to submit the requisite disclosures to the regulators in the future, then the Company may be penalised by the regulators and the same may affect our results of operations.

Our Company has filed E-Form GNL-2 with the Registrar of Companies, Ahmedabad for placing on record the typographical error occurred while filing of said E-Form PAS-3.

Below E-Form was filed in delay, the details are as below:

S. No.	Eforms	Date of Event	Due Date of filing	Actual date of filing	No. of days delayed
1.	Form MGT-14	15-03-2024	14-04-2024	28-08-2024	136

We have not been issued any notice for the above referred default but in future we may get notices for said discrepancy. Therefore, we cannot confirm that no action from authorities would be taken against the Company pursuant to the above explained instance which may adversely affect our business and financial operation.

**9. We derive significant portion of our revenue from sale of limited variety of our products. An inability to adapt to evolving consumer preferences and demand for particular products, or ensure product quality may adversely impact demand for our products and consequently our business, results of operations, financial condition and cash flows.**

Our Company is engaged in the manufacturing of the following product categories and had generated the revenue as detailed herein:

Products	(Amt in ₹ Lakh)			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Colour Masterbatches	393.58	643.93	425.01	150.99
Colour Pigment	269.91	482.62	316.70	157.36
Filler Granule	202.13	342.50	291.63	187.51

Anti-Moisture Powder	307.26	482.62	429.31	278.40
Carbon Noodles	288.47	484.29	304.08	224.98
Superpack & Onepack	608.44	830.32	603.95	452.80
Impact Modifier	256.85	312.16	248.57	133.96
Processing Modifier	66.20	152.59	142.30	69.97
Titanium Dioxide	115.00	181.57	171.03	101.64
<b>Total of Products Sale</b>	<b>2,507.84</b>	<b>3912.60</b>	<b>2,932.58</b>	<b>1,757.61</b>
<b>Revenue from Operations</b>	<b>2,885.87</b>	<b>5,226.23</b>	<b>4,166.77</b>	<b>2,678.77</b>
<b>% of Revenue from Operations</b>	<b>86.90</b>	<b>74.86</b>	<b>70.38</b>	<b>65.61</b>

The Sales of above said products may decline as a result of customer preference or any alternate of the above products availability in the industry. Our Revenue is significantly dependent on the sale of above products and any impact on the sale of above products may severely impact the financial position of the company. Our results of operations are dependent on our ability to attract customers by anticipating and responding to changes in customer preferences and modifying our existing products in line with changes in customer requirements and preferences. If we are unable to anticipate and gauge customer preferences, or if we are unable to adapt to such changes in a timely manner or at all, we may lose or fail to attract customers. Further, if we are not able to adapt to the changing trends, our products may become obsolete and we may be subject to pricing pressure to write-off such inventory. While we have not faced such challenges in the preceding fiscals, we cannot assure you that such instances will not occur in future, which in turn could adversely affect our business, results of operations, cash flows and financial condition.

**10. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.**

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing unit 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. For the period ending September 30, 2024 and in Fiscals 2024, 2023 and 2022, our overall capacity utilization is detailed below:

*(Figures Metric Tonne per Annum unless mentioned in %)*

Product details	September 30, 2024 <sup>#</sup>			March 31, 2024			March 31, 2023			March 31, 2022		
	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%
Mixture Machine	3,100	2,157	69.58	6,200	5,700	91.94	6,200	3,850	62.10	6,200	1,740	28.06
Filler Extruder Machine	240	216	90.00	480	430	89.58	480	300	62.50	480	190	39.58
Master Batch Extruder Machine	480	445	92.71	960	900	93.75	960	480	50.00	960	260	27.08
Master Batch Pulvrising Machine	540	505	93.52	1,080	970	89.81	1,080	600	55.56	1,080	290	26.85
Carbon Noodle Extruder Machine	390	234	60.00	780	420	53.85	780	524	67.18	780	160	20.51
Moisture Packing	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Air Compressor	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*Note: Figures as per certificate dated November 29, 2024 received from Bhavin Patel & Associates, Chartered Engineer. #Installed capacity have been proportionately distributed based on the number of months.*

In the event we are unable to achieve considerable capacity utilization of our current manufacturing unit, 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.

**11. *Our operations are geographically located in one area i.e. State of Gujarat and any localized social unrest, natural calamities, etc. could have material adverse effect on business and financial operations.***

Our business operated in one area i.e. State of Gujarat. As a result, any localized social unrest, natural calamities, distress or breakdown of services and utilities in and around this region, could have material adverse effect on our business, financial position and results of operations. Further, any continuous addition of similar industries/competitors in and around these areas, without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure and also increase competition in the area, which may affect our business and results of operation. Although we have not experienced any significant disruptions at our manufacturing unit in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations for limited time or under-utilization of our manufacturing unit, which in turn may have an adverse effect on our business, results of operations and financial condition.

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

As of September 30, 2024, we have entered into several related party transactions with our Promoters group entities forming a part of our Promoter Group. In addition, we have in the past also entered into transactions with other related parties. We confirm that the transactions with Related Parties entered into by our Company in the preceding three years have been carried out at arms' length price and are in compliance with the Companies Act and other applicable laws. Further, we confirm that the transactions are not prejudicial to the interest of our Company. A summary of the related party transactions during the period ended September 30, 2024 and year ended March 31, 2024, 2023 and 2022 as per applicable Indian GAAP is derived from our Restated Financial Statements. For further details, see "**Financial Information as Restated**" on page no 205. While we believe that all our related party transactions have been conducted on an arm's length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties.

Although all related-party transactions that we may enter into in the future are subject to approval by 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 assurances 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.

**13. *Our Company does not have long term agreements with suppliers for supply of raw material. Our inability to obtain raw material in a timely manner, in sufficient quantities could adversely affect our operations, financial condition and/or profitability.***

We depend on a number of suppliers within India for procurement of raw materials required for manufacturing our products. In September 30, 2024 and Fiscal Year 2024, 2023 and 2022, our cost of Goods Traded amounted to 84.79%, 82.80%, 92.01% and 93.34 % of our total revenue respectively. For the period ending September 30, 2024 and financial year ended March 31, 2024, 2023 and 2022, purchases from our top ten suppliers amounted to ₹ 2,141.16 Lakhs, ₹ 3,543.78 Lakhs, ₹ 3,428.32 Lakhs and ₹ 1,979.87 Lakhs respectively which represented 77.53%, 74.88%, 84.83% and 78.61% of our total raw material purchases. Major portion of our purchases of raw materials for the period ending September 30, 2024 and financial year ended March 31, 2024, 2023 and 2022 is from different states of India which is 82.49%, 85.30%, 77.04% and 90.46% of the total purchases of raw material respectively, for the said period. We are also exposed to foreign exchange related risks as some portion of our import of raw material is denominated in foreign currencies. Our total import purchases were ₹ 483.66 Lakhs, ₹ 695.76 Lakhs, ₹ 928.11 Lakhs and ₹ 240.32 Lakhs for the

period and financial year ending September 30, 2024 and March 31, 2024, 2023 and 2022 respectively and represented 17.51%, 14.70%, 22.96% & 9.54% of our total purchases in such periods, respectively.

We have not entered into long term contracts with our suppliers and prices for raw materials are normally based on the quotes we receive from various suppliers. Any discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality and quantity could hamper our manufacturing schedule. There can be no assurance that strong demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials to us. Further, we cannot assure you that our suppliers will continue to be associated with us on reasonable terms, or at all. Since our suppliers are not contractually bound to deal with us exclusively, we may face the risk of our competitors offering better terms to such suppliers, which may cause them to cater to our competitors alongside. In the event that we fail to secure sufficient quantities of such raw materials from our suppliers at acceptable quality and prices in a timely manner, our business, financial performance and cash flows may be adversely affected. The Company has not encountered any situations in the past that resulted in the loss of a supplier which adversely impact operations of our Company. However, we cannot assure that we will not experience any impact of loss of majority of supplier in future, which could adversely affect our business prospects, financial condition, cash flows and results of operations. For further details, see “***Our Business***” on page no 242 of this Draft Red Herring Prospectus.

***14. 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. Further our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.***

We are in the manufacturing of masterbatch and similar line of products. Therefore, 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. As panels are generally installed at the time of near completion/final stage of the project, thus most of the time customers defer the delivery from the scheduled dates, which turns into extra inventory built-up at the company level, and this also leads to highly inconsistent inventory levels.

To effectively manage our inventory, we must be able to accurately estimate customer’s expected delivery time and purchase inventory accordingly/ potential orders and supply requirements and purchase new inventory accordingly. However, delay from the part of the customer intaking delivery is an external factor for the company also, 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 ₹ 1,188.54 lakhs, ₹ 310.49 lakhs and ₹ 120.16 lakhs and for the period ended on September 30, 2024 is ₹ 992.38.

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 2021-22 our trade receivable were ₹ 1,364.47 lakhs, ₹ 479.22 lakhs and ₹ 301.30 lakhs and for the period ended on September 30, 2024 is ₹ 1,185.66.

There exist substantial increase in inventory and trade receivables as on September 30, 2024 in comparison to pervious year value as mentioned above respectively and in the event, company not able to manage the same effectively, it may significantly impact the operations of the company.

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.

Our business requires significant working capital, such as to finance the purchase of raw materials, consumables, stores & spares and payments for operating expenses before we receive payment from our customers. In addition, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, cost overruns, unanticipated expenses, regulatory changes, economic conditions, additional market developments. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the capital reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debts arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risk and liability claims. All these factors, could have a significant effect on our profitability and cash flows and accordingly an increase in working capital requirements may have an adverse effect on our financial condition and results of operations.


**15. We have certain outstanding litigation against us, an adverse outcome of which may adversely affect our business, reputation and results of operations.**

A summary of outstanding matters set out below includes details of civil and criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, our Directors, Promoters and Group Companies, as at the date of this Draft Red Herring Prospectus:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (in ₹)
<b>Company</b>						
By the Company	NA	NA	NA	NA	NA	NA
Against the Company	NA	NA	NA	NA	NA	NA
<b>Promoters</b>						
By Promoter	NA	NA	NA	NA	NA	NA
Against Promoter	NA	NA	NA	NA	NA	NA
<b>Directors other than Promoters</b>						
By our directors	NA	NA	NA	NA	NA	NA
Against the Directors	NA	1	NA	NA	NA	370/-

The amounts claimed in these proceedings have been disclosed to the extent. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see “*Outstanding Litigations and Material Developments*” beginning on page no 238 of this Draft Red Herring Prospectus.

**16. Our Company’s logo  is not registered and is in the process of Registration with Registrar of Trademark; any infringement of our brand name or failure to get it registered may adversely affect our business.**

We believe that our future growth and competitiveness would depend on our ability to establish and strengthen our brand. We cannot guarantee that we will be able to make a lasting brand image with our clients and other people in the absence of a logo. Although, we believe that our present systems are adequate to protect our confidential information and intellectual property, there can be no assurance that our intellectual property data, trade secrets or proprietary technology will not be copied, infringed or obtained by third parties. Further, our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property, which may adversely affect our business, financial condition and results of operations.

Finally, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings and the Company is actively addressing these risks by pursuing trademark registration for our logo and have filed the application with Registrar of Trademark dated July 19, 2024 and December 11, 2024. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, they could result in costly litigation, divert management’s attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Any of the foregoing could have an adverse effect on our business. Further, our efforts to protect these intellectual properties may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. The application of laws governing intellectual property rights in India is uncertain, evolving and could involve substantial risks to us.

**17. An increase in the prices of our basic raw material could raise our manufacturing costs and could adversely affect our profitability.**

The raw material consumption contribution is 84.79%, 82.79%, 92.01% and 93.34% of total revenue for the period ended September 30, 2024 and financial year ended March 31, 2024, 2023 and 2022 respectively. We are vulnerable to the risk of rising and fluctuating prices of raw materials which are determined by demand and supply conditions in the global and Indian markets. Any unexpected price fluctuations after placement of orders, shortage, delay in delivery, quality defects, or any factors beyond our control may result in an interruption in the supply of such materials and adversely affect our business, financial performance and cash flows.

We may suffer significant cost overruns or even losses in our projects due to unanticipated cost increases resulted from a number of factors such as unavailability or unanticipated increases in the cost of raw materials, labour and stores and spares, disruptions of the supply of raw materials due to factors beyond our control, unforeseen design or engineering challenges, severe weather conditions or force majeure events. If any of these risks materialize, they could adversely affect our profitability, which may in turn have an adverse effect on our overall results of operation.

Additionally, we do not enter into any long-term supply agreements with our suppliers and we purchase all these raw materials on a need basis primarily through the spot market purchase mechanism and seek to source such raw materials from diverse suppliers. We may at times also face the risks associated with compensating for or passing on increase in our cost of production on account of fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins directly or indirectly and thereby have a direct bearing on our profitability, resulting in a material adverse effect on our business, financial condition and results of operations. In the past few years, there has been a growing demand for our products necessitating continuing expansion of this industry. In the future, there may be industry-wide



fluctuations in the supply of raw materials due to the growing demand for such products. We may, from time to time, experience late delivery from suppliers and may have to purchase raw materials at a higher price or with lower conversion efficiencies / specifications, which in turn may result in reduced revenues.

There can be no assurance that the current procurement efforts will be successful in ensuring an adequate supply of raw materials at viable prices to meet our production requirements. If we are unable to meet customer demand for our products or if our products are only available at a higher price because of a shortage of raw materials, we could lose customers, market share and revenue. Further, many of our competitors, that also purchase raw materials from our suppliers, may have stronger relationships as well as greater bargaining power with the suppliers. This may materially and adversely affect our business, financial condition, results of operations and cash flow.

In addition, any restrictions, either from the Central or state governments, or from countries which we import from, on the import of our raw materials or any adverse change in policies by India or other countries, in terms of tariff and non-tariff barriers, may adversely affect our business, prospects, financial condition and results of operations. There can be no assurance that such restrictions/ regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. Further, there can be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. For details on such regulations and policies applicable to our business, see **“Financial Statement as Restated”** on page no 205 of this Draft Red Herring Prospectus.

**18. Our Company is yet to place orders for new machinery. Any delay in placing orders or procurement of such machinery may delay the schedule of implementation and possibly increase the cost of commencing operations.**

Our Company has received third party quotations for capital expenditure for the purchase of machinery proposed to be installed at our proposed Manufacturing unit situated at Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat. Although, we have identified the type of machinery proposed to be purchased from the Net Proceeds, we are yet to place orders for the proposed machinery approximately amounting to ₹560 Lakhs. The cost of the proposed purchase of machinery is based on the quotations received from third party vendors and contractors and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. For details, please refer to the chapter titled **“Objects of the Issue”** beginning on page no 87 of this Draft Red Herring Prospectus.

We cannot assure that we will be able to procure the machinery in a timely manner and at the same price at which the quotations have been received. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the Machinery or in the event the vendors are not able to provide the machinery in a timely manner, or at all, we may encounter time and cost overruns in expanding the capacity of the Manufacturing unit. Further, if we are unable to procure machinery from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternate vendors to provide us with the machinery which satisfy our requirements at acceptable prices. Our inability to procure the machinery at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

**19. We may face some delays in implementation of our proposed objects.**

Any delays in the scheduled of implementation of our proposed objects could have an adverse impact on our business, financial condition and results of operations. We propose to utilize our Net Proceeds for funding towards a) Capital Expenditure the Purchase of Machineries; b) Repayment of certain borrowings; c) Working Capital requirements, for proposed schedule of implementation and deployment of net proceeds, see **“Objects of the Offer”** on page no 87. We are subject to risks associated with the delays in the Schedule of Implementation of our proposed objects. These include risks on account of market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors. In the event, we are unable to adhere to our proposed

Schedule of Implementation of our proposed objects, we may subject to cost escalations which in-turn could have a material adverse impact on our business, financial condition and results of operations.

**20. Our majority of directors does not possess experience of any listed company.**

Our majority of directors are not holding any directorship of any listed company. Listed company require to comply with various provisions of Listing agreement, Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other regulations prescribed by Securities and Exchange Board of India (SEBI) from time to time. Non compliance with any provisions of regulations prescribed by SEBI may affect our business and results of operation.

**21. We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.**

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. Such orders may be amended or cancelled prior to finalization, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Consequently, there is no commitment on the part of the customer to continue to source their requirements from us, and as a result, our sales from period to period may fluctuate significantly as a result of changes in our clients' preferences. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

**22. Our success depends on our ability to retain and attract qualified management and other key personnel, and if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.**

We benefit from the experience of our Board of Directors and other key personnel who have extensive industry knowledge and expertise, and the loss of any of them could adversely affect our business, growth and results of operations. Our Board of Directors and other key personnel have been instrumental in implementing our growth strategies and expanding our business.

We also depend on our ability to retain and motivate key employees and attract qualified new employees. If we lose a member of the management team or a key employee, we may not be able to replace him or her easily or at all. The following table sets forth the attrition rate of the years / period indicated:

Particulars	As on			
	March 31, 2022	March 31, 2023	March 31, 2024	September 30, 2024
Total number of employees	5	8	13	15
Attrition Rate (%)*	-	-	-#	13.33

\*Attrition rate has been calculated as the number of employees who have resigned during the period divided by the number of employees existing as of the beginning of the period plus the numbers of employees who have joined during the period.

#02 employees resigned from the Company post March 31, 2024 and 04 employees has joined the Company on or before September 30, 2024.

Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. This could have an adverse effect on our business and results of operations.

Our success also depends, in part, on key customer relationships forged by our directors and key personnels. If we were to lose these members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them, which could adversely affect our business, financial condition, results of operations and cash flows.

**23. We are subject to the risk of failure of, or a material weakness in, our internal control systems.**

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

The Company has not faced such risk in the past which impact internal control systems of our Company. However, we cannot assure that we will not experience any impact of failure or material weakness in, our internal control systems in future, which could adversely affect our business prospects, financial condition, cash flows and results of operations. For further details, see **“Our Business”** on page no 242 of this Draft Red Herring Prospectus.

**24. We have contingent liabilities and capital commitments. Our financial condition could be adversely affected if any of these contingent liabilities or capital commitments materialize.**

As of September 30, 2024 we had disclosed the following contingent liabilities in the Restated Summary Statements:

**(In ₹ Lakhs)**

Particulars	For the Period Ended			
	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
I. Contingent Liabilities				
(a) claims against the company not acknowledged as debt;	-	-	-	-
(b) guarantees excluding financial guarantees; and				
(c) other money for which the company is contingently liable.				
II. Commitments				
(a) estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
(b) uncalled liability on shares and other investments partly paid				
(c) Other commitments				

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize or if at any time we are compelled to pay all or a material proportion of these contingent liabilities, our financial condition and results of operation may be adversely affected.

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

Our business and assets could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. There can be no assurance that the terms of our insurance policies will be adequate to cover any damage or loss suffered by our Company or that such 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.

We have obtained an adequate number of insurance policies in connection with our operations as given in chapter titled **“Our Business”** on page no 141 of the Draft Red Herring Prospectus. While we believe that these policies are reasonably sufficient to cover the typical risks associated with our business, we cannot guarantee that all claims under these policies will be fully or promptly honoured. It is possible that certain circumstances may not be adequately covered, as the policies have deductibles, exclusions, and coverage limits. Furthermore, our insurance coverage is subject to expiration, and we regularly apply for renewals as part of our standard business practice. However, we cannot assure you that these renewals will be granted in a timely manner, at acceptable costs, or even at all. In the unfortunate event of a loss or damage that is not covered by insurance, exceeds our insurance coverage, or if our insurance claims are rejected, we would be responsible for bearing the costs. Consequently, our Financial Results, Cash Flows, and overall financial condition may be adversely affected.

The details of losses vis-a-vis. insurance cover; and any past instance of claim exceeding liability insurance cover are as follows:

Financial Year	losses vis-a-vis. insurance cover	any past instance of claim exceeding liability insurance cover
September 30, 2024	Nil	Nil
2023-24	Nil	Nil
2022-23	Nil	Nil
2021-22	Nil	Nil

**26. Relevant copy of educational qualification of our promoter Mr. Bhaveshbhai Mansukhbhai Harsoda is not traceable.**

Relevant copy of the educational qualification of Mr. Bhaveshbhai Mansukhbhai Harsoda is not traceable. In accordance with the disclosure requirements in respect of brief biography of the Director, we have relied on affidavit provided by him for the purpose of disclosure in the section entitles **“Our Management”** and **“our Promoters and Promoter Group”** on page no 183 and 198 of this Draft Red Herring Prospectus respectively.

**27. We have taken guarantees from Promoter & Promoter Group in relation to debt facilities availed by the Company.**

We have taken guarantees including charges over the properties owned by the Promoter i.e. Mr. Bhaveshbhai Mansukhbhai Harsoda & Promoter Group i.e. Mr. Mansukhbhai Harsoda and Mrs. Hetalben Bhaveshbhai Harsoda in relation to debt facility availed from our IndusInd Bank Limited. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled **“Financial Indebtedness”** beginning on page no 235 of this Draft Red Herring Prospectus.

Below are the details of immovable properties by way of guarantees extended by our Promoter and members of Promoter Group with the respect to availing of certain credit facility as mentioned above:

Security Details	Description/ Property Details	Security Provider	Lenders Name	Loan (In ₹ Lakh)	Purpose
Industrial Land & Building	Shed No. 4 & 5 on Plot No-10, of Veraval R S no. 242, Paiki 1, Kotada Sangani, Rajkot-360030	Bhavesbhai Mansukhbhai Harsoda	IndusInd Bank Limited	995.00	Cash Credit-995  Pre-Shipment credit (EPC/PCFC- (100)  Post-Shipment credit (FBP/FBD/PSFC- (100)  Letter of Credit- (200)  Buyer Credit- (300)  Total Fund Based- 995  Total Non-Fund Based- 0
Commercial Land & Building	R S No. 108, T P No. 21, F P No. 29/P, O.P. No. 29, Plot No. 6 to 12, Office No 306 & 307, 3rd Floor, Sanaskar Height", Opp. RK Emprle, Nr. Mavdl Chowkdi, Off. 150 ft Ring Road, Tal. & Oist.: Rajkot, State: Gujarat-360004	Bhavesbhai Mansukhbhai harsoda	IndusInd Bank Limited		
Industrial Land & Buliding	Shed No. 1 & 2 on Plot No. 10 Veraval, R. S no. 242, Paiki 1, Kotada Sangani, Rajkot- 360030	Bhavesbhai Mansukhbhai Harsoda	IndusInd Bank Limited		
Residential Land & Building	R.S. No. 395/1 & 395/2 Paiki, T.P.S. No. 4(Rajkot), F.P. No. 1018 Paiki, Plot No. 59 Paiki, Nr. Sagar Community Hall, Off. New Papaiya Vadi Main Road, At: Rajkot, Tal. & Dist. Rajkot, Gujarat- 360004	Bhavesbhai Mansukhbhai harsoda	IndusInd Bank Limited		
Industrial Land & Building	RS No. 238 Paiki Plot No. 10 Shed No. 3 Village Kohariya Rajkot – 360022	Hetalben Bhavesbhai Harsoda	IndusInd Bank Limited		
Industrial Land & Building	RS No. 199 Old RS no. 150/1, P1/P2 Plot No. 4& 5 K K Auto Forge, Vedant Industrial Area Near Muktidham Shapar Veraval Rajkot-360024	Mansukhbhai Harsoda	IndusInd Bank Limited		
Industrial Land & Building	RS No. 238 Paiki Plot No.10 Shed No. 1 Village	Hetalben Bhavesbhai Harsoda	IndusInd Bank Limited		

	Kohariya Rajkot – 360022				
Industrial Land Buliding	RS No. 238 Paiki Plot No.10 Shed No. 2 Village Kohariya Rajkot – 360022	Hetalben Bhaveshbhai Harsoda	IndusInd Bank Limited		

**28. *Our Company is dependent on third party transportation providers for the delivery of our products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

We depend on third-party transportation to receive input/ raw materials required for our products and to deliver our finished products to our customers. We use third-party logistics providers for all of our product distribution and input materials procurement. This makes us dependent on such third-party transportation providers. Weather-related problems, strikes, or other events which affects third-party transportation could impair our ability to receive the raw materials and/or deliver the requisite quantities of products in time to our customers, which may result in cancellation or non-renewal of purchase orders, and could adversely affect the performance of our business, results of operations and cash flows.

Our Company utilizes a diverse network of third-party transporters and not dependent on a single transport provider. In the past our Company has not faced any operational delays caused by the delay in delivery of raw materials. However, disruption in delivery of products in future may adversely affect our business prospects and its operations.

**29. *Any delay or defaults in receipt of payments or dues from our customers could result in a reduction of our profits.***

We regularly commit resources prior to receiving payments from our customer. We may be subject to working capital shortages due to delays or defaults in receipt of payments or dues from such customers. If our customers default in their payments or if any order/ assignment in which we have invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations. While we have not yet experienced any material delay, cancellation, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. In the ordinary course of business, we extend credit to our customers. Our results of operations and profitability depend on the creditworthiness of our customers. Certain of these customers may have weak credit histories and we cannot be assured that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

**30. *We may be unable to comply with changes in environmental, health and safety, labour laws and other applicable regulations.***

We are subject to various laws and regulations in relation to environmental protection, such as the Air Act, as well as environmental laws and regulations, health and safety laws, and labour laws. These laws and regulations impose controls on air discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees. For details on such regulations and policies applicable to our business, see **“Key Regulations and Policies”** on page no 167 of this Draft Red Herring Prospectus. Any of the foregoing could subject us to litigation, which could increase contingent costs, require considerable attention from the management, and adversely affect our reputation in the event we were found liable. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. Furthermore, in the event our manufacturing activities are shut down or



suspended, we may continue to incur costs including those incurred to comply with regulations, appeal regulatory decisions, and compensate our workforce. However, in the past the Company has not contravened any applicable provisions of law related to environment, health and safety, labour laws. If we are unable to comply with the provisions of such applicable laws, which could materially and adversely affect our business, financial position and results of operations.

**31. *Our funding requirements and the proposed deployment of Net Proceeds are based on management estimates and we have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Offer.***

Our funding requirement is based management estimates, current circumstances of our business and prevailing market conditions, which are subject to changes in external factors, such as financial and market conditions, market feedback and demand of our products, competition, business strategy and interest/exchange rate fluctuations, which may not be within the control of our management. The objects of the Offer have not been appraised by any bank or financial institution. Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in our Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds.

Further, pursuant to Section 27 of the Companies Act and other applicable law, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law.

Our Company, in accordance with the applicable law and to attain the objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds within one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board.

**32. *If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.***

We plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain new suppliers, our ability to maintain customer satisfaction, our ability to mobilize sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, competition with other players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties, or difficulties in expanding existing business operations.

Our development and expansion strategies will require substantial managerial efforts and skills and the incurrance of additional expenditures may subject us to new or increased risks. We may not be able to implement our growth strategies efficiently or effectively or manage the growth of our operations, and any failure to do so may limit future growth and have an adverse effect on our business.

Also, the fund requirement and deployment for our strategies are based purely on management estimates and assumptions considering the current market scenario and are subject to revision in the light of changes in external circumstances or costs. If we are unsuccessful in executing our strategic plan, or if the underlying estimates or assumptions used to develop our strategic plan are materially inaccurate, our business and financial condition would have an adverse impact.

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no

guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted clients. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

**33. *In addition to normal remuneration, other benefits, and reimbursement of expenses of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Some of our Directors (*including our Promoter*) and Key Management Personnel may be interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration, incentives or benefits and reimbursement of expenses. We cannot assure you that our Directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our Promoter & our Directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our Promoter and Directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our Promoter and Directors will always act to resolve any conflicts of interest in our favor, thereby adversely affecting our business and results of operations and prospects. For further details of our transactions or interests of our Promoter / promoter group, please refer the sections titled “*Our Promoter and Promoter Group*” and “*Group Entities of our Company*”, “*Related Party Transactions- Financial Statements as Restated*” beginning on page no 198, 203 and 205 respectively, of this Draft Red Herring Prospectus.

**34. *Our inability to respond adequately to increased competition in our business may adversely affect our business, financial condition and results of operations.***

We may face competition from new entrants who may have more flexibility in responding to changing business and economic conditions. The basis of competition includes, among other things, pricing, innovation, perceived value and other criteria. We have experienced price competition in the past, and there can be no assurance that such price competition will not recur in the future. Growing competition may reduce revenues and margins and/or decrease our market share, either of which could affect our results of operations. These developments could render us obsolete or in competitive, which would harm our business and financial results.

**35. *Changes in technology may affect our business by making our business capabilities less competitive or obsolete.***

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our systems to emerging industry standards. Changes in technology may require us to make additional capital expenditures to upgrade our capabilities. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

Though we have not faced any disruption in operations of our Company due to changes in technology during the last three fiscal years, we cannot assure you that we will not encounter such disruptions in the future. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

**36. *We are exposed to the risks of significant breaches of data security, and malfunctions or disruptions of information technology systems.***

We depend on information technology systems and accounting system to support our business processes, including sales, order processing, procurement, inventory management, quality control, product costing, human resources and finance. Although these technology initiatives are intended to increase productivity and

operating efficiencies, they may not achieve such intended results. These systems may be potentially vulnerable to data security breaches, whether by employees or others, which may result in unauthorized persons getting access to sensitive data. Such data security breaches could lead to the loss of trade secrets and the data related to our services and other proprietary information could be compromised. These systems are also susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, computer viruses or malware, break-ins and similar events. Effective response to such disruptions or malfunctions will require effort and diligence on the part of our employees to avoid any adverse effect to our information technology systems.

Though there have been no instances of information technology breach or any instance of cyber-attack in our Company during the last three fiscal years, we cannot assure you that we will not encounter disruptions in the future. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

***37. The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

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 do 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 is proposed to be determined in accordance with the SEBI ICDR Regulations 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, 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.

***38. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the Emerge Platform of NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuance of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Emerge Platform of NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of monitoring agency is not mandatory if the Issue size is up to ₹10,000 Lakh.

However, if the Issue size is more than ₹10,000 Lakh, our Company shall appoint a monitoring agency for this Issue. However, as per Section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue. 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. Our Promoters and Promoter Group will continue to retain significant control in our Company after the Issue which will allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.***

After the completion of this Issue, our Promoters and Promoter Group will continue to hold [●] percentage of the equity share capital of our Company and will be in a position to exercise significant control, including being able to control the composition of our Board of Directors and determine decisions requiring simple or

special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters and Promoter Group will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our favor. If our Promoters and Promoter Group sell a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoters will not be sold any time after the Issue, which could cause the price of the Equity Shares to decline.

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

We have not declared any dividends on our Equity Shares in the past. The amount of our future dividend payments, if any, will depend upon factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends in future. For further details, please see “**Dividend Policy**” on page no 204 of this Draft Red Herring Prospectus.

**42. *Our employees may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.***

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in the past, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

**43. *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.***

The issue price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled “**Basis for Issue Price**” beginning on page no 106 of this Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue in case of unfavorable situation it may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

**44. *If we are unable to comply with the material covenants of the borrowing or payment of principal or interest payment on borrowing, our business and prospects may be materially and adversely affected.***

We presently have not committed any default in compliance with the material covenants such as creation of full security as per terms of issue outstanding debt instruments, any default in compliance, default in payment of interest, default in redemption, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable, non-availability or non-maintenance of asset cover, interest cover, debt-service cover, etc. In the event of default in payment of interest/ principal borrowing or any default in connection with any terms of sanction letter, the same could have a material adverse effect on our business, financial

condition, results of operations and cash flows but we are fortunate that we haven't faced any such major cancellation impacting the financial condition of the company.

**45. *The objects of the Issue include funding working capital requirements of our Company, which is based on certain assumptions and estimates.***

The objects of the Issue include funding working capital requirements of our Company, which is based on management estimates and certain assumptions. For more information in relation to such management estimates and assumptions, please see "***Objects of the Issue***" on page no 87 of this Draft Red Herring Prospectus. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, any defaults by our customers, non-availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place reliance on such estimates of future working capital requirements.

**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 three (3) 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 three 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.

**47. *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 Prospectus.***

While facts and other statistics in the 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 no 115 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.

- 48. *The Equity Shares have never been publicly traded, and, after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

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 do 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 is proposed to be determined in accordance with the SEBI ICDR Regulations 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, 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.

- 49. *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 for a) purchase of machineries; b) repayment of certain borrowings; c) working capital 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 no 87 of this Draft Red Herring Prospectus.

- 50. *Our Company may not be successful in penetrating new export markets.***

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to other government actions; and political, economic and social instability.

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

The average cost of acquisition of Equity Shares of one of our Promoter is lower than the face value of Equity Shares i.e. ₹ 10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see Chapter titled "***Capital Structure***" beginning on page no 72 of this Draft Red Herring Prospectus.

- 52. *We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realisation of the price for our product, which may adversely affect our business operation and financial condition.***

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, sales network, pricing and timely delivery. Some of our competitors have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offer their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing



competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

We operate in a rapidly consolidating industry. The strength of our competitors could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

**53. *We rely on our in-house team for production of our products. Loss of employee(s) may have an adverse effect on the production of desired quality products which may adversely affect results of our business operations and financial condition.***

We are engaged in the business of providing solutions such as all-in-one additive containing stabilisers, internal & external lubricants, impact modifier, color pigments & additional essential chemicals or additives to help the manufacturers/ producers of UPVC, & CPVC pipes, pipe fittings and manufacturing plastic products. We have an in-house team for sales, marketing, purchase, production, research & development of products etc. which makes us self-reliant on all aspects of our business. Our ability to effectively execute and manage contracts is crucial to our continued success. We understand that maintaining quality, minimizing costs and ensuring timely completion of our products depends largely on the skill and workmanship of our employees. As competition for qualified personnel increases, it is difficult to retain highly skilled and trained employee by any organization. Replacement of such employees is difficult and may require time to find and employ a suitable replacement. Although we have not experienced any significant disruptions at our manufacturing unit in the past due to loss of such employees, we cannot assure that there will not be any disruptions in our operations in the future due to loss of skilled employees from our core team which may affect our ability and capability to execute projects and may also affect our growth prospects.

## **RISK FACTORS RELATED TO EQUITY SHARES**

**54. *Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

## **EXTERNAL RISK FACTORS**

**55. *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.

**56. *Changing regulations in India could lead to new compliance requirements that are uncertain. The regulatory environment in which we operate is evolving and is subject to change.***

The Government of India may implement new laws or other regulations that could affect the manufacturing industry or the sectors we serve, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations. Any such changes and the related uncertainties with respect to the implementation or change in the legal framework may have a material adverse effect on our business, financial condition and results of operations.

**57. *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.

**58. *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.

**59. *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 Approvals”** on page no 242 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 no 238. 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 nonresident 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.

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

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

**61. *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 effect 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.

**62. *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.

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**SECTION IV - INTRODUCTION  
THE ISSUE**

This Initial Public Offer has been authorized pursuant to a resolution of our Board of Directors held on July 26, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting of the members held on July 26, 2024.

The following is the summary of the Issue:

<b>PARTICULARS</b>	<b>DETAILS</b>
Equity Shares Offered through Public Issue <sup>(1)(2)</sup>	Issue of upto 24,54,000 Equity Shares of face value of ₹10.00/- each for a cash at a price of ₹ [●] aggregating to ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>Issue Reserved for Market Maker</b>	Upto 1,23,600 Equity Shares of face value of ₹10.00/- each for a cash at a price of ₹ [●] aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	Upto 23,30,400 Equity Shares of face value of ₹10.00/- each for a cash at a price of ₹ [●] aggregating to ₹ [●] Lakhs.
<b>Of which*:</b>	
<b>QIB Portion</b> <sup>(3)(4)</sup>	Not more than [●] Equity Shares
<b>Of which</b>	
<b>Anchor Investor Portion</b>	Upto [●] Equity Shares of face value of ₹10.00/- each for a cash at a price of ₹ [●] aggregating to ₹ [●] Lakhs
<b>Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)</b>	Upto [●] Equity Shares of face value of ₹10.00/- each for a cash at a price of ₹ [●] aggregating to ₹ [●] Lakhs
<b>Out of which</b>	
<b>Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	Upto [●] Equity Shares of face value of ₹10/- each fully paidup for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakhs
<b>Balance of QIB Portion for all QIBs including Mutual Funds</b>	Upto [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakhs
<b>Non – institutional Portion</b>	Not Less than [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹[●] Lakhs
<b>Retail portion</b>	Not Less than [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹ [●] Lakhs
<b>Pre and Post-Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	54,90,000 Equity Shares of face value of ₹10/- each.
<b>Equity shares outstanding after the Issue</b>	79,44,000 Equity Shares of face value of ₹10/- each.
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page no. 87 of this Draft Red Herring Prospectus.

*Public issue of upto 24,54,000 Equity Shares face value of ₹10.00 each for cash at a price of ₹ [●] per Equity Share of our Company aggregating to ₹ [●] Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “*Issue Structure*” beginning on page no 268 of this Draft Red Herring Prospectus*

Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(1) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.

- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 26, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on July 26, 2024.
- 3) The SEBI (ICDR) Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- 4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- 5) 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 no 273 of this Draft Red Herring Prospectus.

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**SUMMARY OF FINANCIAL INFORMATION**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(₹ in Lakh)

<b>Annexure 1: Statements of Assets and Liabilities as Restated</b>						
<b>Particular</b>	<b>Note</b>	<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
<b><u>I EQUITY AND LIABILITIES</u></b>						
<b>1.Shareholder's Fund</b>						
a) Equity Share Capital	10	549.00	549.00	-	-	-
b) Reserve and Surplus	11	539.90	320.30	196.24	-	-
bii) Partner's Capital	11	-	-	50.00	270.63	188.09
<b>2. Non Current Liabilities</b>						
a) Long Term Borrowings		19.82	26.26	27.22	163.00	162.50
b) Other Long Term Liabilities	13	-	-	-	-	-
c) Long Term Provision	14	-	-	-	-	-
<b>3.Current liabilities</b>						
a) Short Term Borrowings	15	886.84	231.65	950.44	372.65	217.86
b) Trade Payable	16	213.95	225.94	274.59	177.29	56.84
c) Other Current Liabilities	17	7.87	30.53	48.24	18.44	38.02
d)Short Term Provision	18	239.38	165.65	100.87	25.52	5.38
<b>Total</b>		<b>2,456.77</b>	<b>1,549.33</b>	<b>1,647.60</b>	<b>1,027.53</b>	<b>668.69</b>
<b><u>II ASSETS</u></b>						
<b>1. Non-current assets</b>						
a) Property, Plant and Equipment and Intangible Assets	1	36.74	38.62	40.67	21.59	23.81
b) Non Current Investments	2	19.85	-	-	-	2.26
c) Deferred Tax Assets (net)	3	4.75	4.38	4.04	1.27	1.09
d) Other Non Current Assets	4	18.06	17.41	182.53	102.22	80.78
<b>2. Current assets</b>						
a) Inventories	5	992.38	692.16	496.38	310.49	120.16
b) Trade Receivables	6	1,185.66	620.18	744.29	479.22	301.30
c) Cash and Cash Equivalents	7	111.88	101.37	11.01	12.08	6.49
d) Short Term Loans and Advances	8	4.15	-	35.99	40.31	53.33
e) Other Current Assets	9	83.30	75.21	132.68	60.35	79.48
<b>Total</b>		<b>2,456.77</b>	<b>1,549.33</b>	<b>1,647.60</b>	<b>1,027.53</b>	<b>668.69</b>

**RESTATED STATEMENT OF PROFIT AND LOSS**

(₹ in Lakh except EPS)

<b>Annexure 2: Statements of Profit and Loss as Restated</b>							
<b>Particular</b>		<b>Note</b>	<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
I	Revenue From Operations	19	2,885.87	644.93	4,581.30	4,166.77	2,678.77
II	Other Income	20	16.95	7.38	20.77	18.97	1.48
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>2,902.83</b>	<b>652.31</b>	<b>4,602.07</b>	<b>4,185.74</b>	<b>2,680.25</b>
<b>IV</b>	<b>Expenses</b>						
	Cost of Goods Traded	21	2,461.40	359.93	3,990.69	3,851.14	2,501.71
	Employee Benefits Expenses	22	26.54	11.08	23.00	14.82	14.00
	Finance Costs	23	20.56	10.19	52.57	36.22	16.54
	Depreciation and Amortization Expense	1	6.36	2.04	16.10	2.85	3.88
	Other Expenses	24	94.99	51.24	180.55	182.56	123.44
	<b>Total Expenses</b>		<b>2,609.85</b>	<b>434.48</b>	<b>4,262.91</b>	<b>4,087.60</b>	<b>2,659.57</b>
<b>V</b>	<b>Profit before tax (III- IV)</b>		<b>292.97</b>	<b>217.82</b>	<b>339.17</b>	<b>98.14</b>	<b>20.68</b>
VI	Prior Period Item		-	-	-	-	-
VII	Extraordinary Items		-	-	-	-	-
<b>VIII</b>	<b>Profit before tax (V+VI)</b>		<b>292.97</b>	<b>217.82</b>	<b>339.17</b>	<b>98.14</b>	<b>20.68</b>
IX	Tax Expense						
	a) Current Tax		(73.74)	(64.78)	(100.87)	(25.52)	(5.38)
	b) Deferred Tax		0.37	0.34	2.77	0.18	0.44
	c) Short/Excess Provision Of Last Year		-	-	-	-	-
<b>X</b>	<b>Profit (Loss) for the period (VIII + XIV)</b>		<b>219.61</b>	<b>153.39</b>	<b>241.07</b>	<b>72.81</b>	<b>15.75</b>
	Earnings per equity share	25	4.00	2.79	N/A	N/A	N/A

## ANNEXURE- 3- RESTATED STATEMENT OF CASH FLOWS

(₹ in Lakh)

<b>Annexure 3: Statements of Cash flow as Restated</b>					
<b>Particular</b>	<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
<b>Cash flow from Operating Activities:</b>					
Net Profit Before tax as per Statement of Profit & Loss	292.97	217.82	339.16	98.14	20.68
Adjustments for:					
Depreciation & Amortisation Exp.	6.36	2.04	16.10	2.85	3.88
Finance Cost	20.56	10.19	52.57	36.22	16.54
Loss on Sale of Assets	-				
<b>Operating Profit before working capital changes</b>	<b>319.89</b>	<b>230.06</b>	<b>407.83</b>	<b>137.22</b>	<b>41.10</b>
<b>Changes in operating assets and liabilities:</b>					
Other Long Term Liabilities	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
Trade Payable	(11.99)	(48.65)	97.30	120.44	(14.38)
Other Current Liabilities	(22.66)	(17.71)	29.80	(19.58)	16.34
Short Term Provisions	-	-	-	-	-
Inventories	(300.23)	(195.77)	(185.90)	(190.33)	(16.80)
Trade Receivables	(565.48)	124.12	(265.07)	(177.93)	(46.78)
Other Current Assets	(8.09)	57.48	(72.33)	19.13	42.78
<b>Tax &amp; Other Adjustment</b>	<b>-</b>	<b>(29.32)</b>	<b>30.29</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(588.57)</b>	<b>120.20</b>	<b>41.92</b>	<b>(111.04)</b>	<b>22.28</b>
<b>II Cash flow from investing Activities</b>					
Purchase/Sale of Fixed Assets (Net)	(4.47)	0.00	(35.17)	(0.63)	(1.48)
Movement in Investment					
Long Term	(19.85)	-	-	2.26	(0.06)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(24.32)</b>	<b>0.00</b>	<b>(35.17)</b>	<b>1.64</b>	<b>(1.54)</b>
<b>III Cash Flow From Financing Activities</b>					
Changes in Equity	-	499.00	-	-	-
Change in Partner's capital	-	-	(321.27)	4.35	78.45
<b>Changes in Borrowing</b>					
Long term borrowings	(6.44)	(0.96)	(135.78)	0.50	(180.05)
Short term borrowings	655.19	(718.79)	577.80	154.79	217.86
<b>Movement in Loan &amp; Advances and Other Assets</b>					
Long Term	(0.64)	165.11	(80.31)	(21.44)	(80.78)
Short Term	(4.15)	35.99	4.32	13.02	(38.58)
Finance Cost	(20.56)	(10.19)	(52.57)	(36.22)	(16.54)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(623.40)</b>	<b>(29.84)</b>	<b>(7.81)</b>	<b>115.00</b>	<b>(19.64)</b>

<b>IV Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>10.51</b>	<b>90.36</b>	<b>(1.07)</b>	<b>5.59</b>	<b>1.10</b>
<b>Opening Balance</b>	<b>101.37</b>	<b>11.01</b>	<b>12.08</b>	<b>6.49</b>	<b>5.39</b>
<b>Closing Balance</b>	<b>111.88</b>	<b>101.37</b>	<b>11.01</b>	<b>12.08</b>	<b>6.49</b>
<b>Cash And Cash Equivalents Comprise:</b>					
Cash	9.93	18.77	10.51	9.09	5.09
Bank Balance					
Current Account	101.95	82.59	0.50	2.99	1.40
Deposits Account	-	-	-	-	-
<b>Total Cash Balance</b>	<b>111.88</b>	<b>101.37</b>	<b>11.01</b>	<b>12.08</b>	<b>6.49</b>

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## SECTION V - GENERAL INFORMATION

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad (Gujarat). Subsequently, the name of our company was changed from “**Renol Polychem Private Limited**” to “**Renol Polychem Limited**” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U22209GJ2024PLC147599, please refer to Chapter titled “*History and Corporate Structure*” on page no 178 of this Draft Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE PROGRAMME

<b>CIN</b>	U22209GJ2024PLC147599
<b>Company</b>	Renol Polychem Limited
<b>ROC Code</b>	ROC- Ahmedabad
<b>Registration Number</b>	147599
<b>Company Category</b>	Company limited by Shares
<b>Company Sub Category</b>	Non-Govt. Company
<b>Email Id</b>	<a href="mailto:compliance@renolpolychem.com">compliance@renolpolychem.com</a>
<b>Website</b>	<a href="http://www.renolpolychem.com">www.renolpolychem.com</a>
<b>Class of Company</b>	Public
<b>Date of Incorporation</b>	09/01/2024
<b>Registered Address</b>	307 Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004
<b>Company Secretary and Compliance Officer</b>	Mr. Ankur Rastogi

#### Address of RoC:

Registrar of Companies, Ahmedabad, Gujarat  
ROC Bhavan, Opp Rupal Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad, Gujarat- 380013  
**Tel:** 079-27438531  
**E-mail:** roc.ahmedabad@mca.gov.in  
**Website:** www.mca.gov.in

### BOARD OF DIRECTORS

<b>Name</b>	<b>DIN</b>	<b>Address</b>	<b>Designation</b>
Mr. Bhaveshbhai Mansukhbhai Harsoda	09236516	Papaiya Vadi-4, Haridwar Socaytini Same, New Sagar Holl, At. Rajkot, Bhaktinagar, Gujarat-360002	Managing Director
Mr. Naitik Bhaveshbhai Harsoda	10404190	Papaiya Vadi-4, Haridwar Socitey Same, Near Sagar Holl, At. Rajkot, Gujarat-360002	Executive Director
Ms. Anandbhai Nalinbhai Pathak	10543800	Gangabhuvan Harikrushn Nagar-2, Jasdhan, Rajkot, Gujarat- 360050	Independent Director
Ms. Nikita Gaurav Tank	10555187	Chotunagar-1, Behind Hanuman Madhi, Raiya Road, Rajkot, Gujarat- 360007	Independent Director
Ms. Anjali Hukambhai Jeshani	10692753	Kevdavadi-10, Laludi hokli, Rajkot, Gujarat- 360003	Non-Executive Non-Independent Director

For further details of our directors, please refer to chapter titled “*Our Management*” on page no 183 of this Draft Red Herring Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
<b>Ekta Pravinbhai Tank</b> <b>Renol Polychem Limited</b> 307 Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004 <b>Tel. No.:</b> +91-9723780726 <b>Email:</b> cfo@renolpolychem.com <b>Website:</b> www.renolpolychem.com	<b>Ankur Rastogi</b> <b>Renol Polychem Limited</b> 307 Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004 <b>Tel. No.:</b> +91-9723780726 <b>Email:</b> compliance@renolpolychem.com <b>Website:</b> <a href="http://www.renolpolychem.com">www.renolpolychem.com</a>

## DESIGNATED STOCK EXCHANGE

National Stock Exchange of India Limited

**Address:** Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai- 400051

## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Anchor Portion Issue Opening/ Closing Date	[•]
Issue Opening Date	[•]
Issue Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Unblocking of Funds	[•]
Credit of Equity Shares to demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

## INVESTOR GRIEVANCES

**Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode, etc.**

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of Equity Shares applied for, the Application Amount paid on submission of the Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate if the Application was submitted to a member of the Syndicate at any of the Specified Locations, or the Registered Broker if the Application was submitted to a Registered Broker at any of the Brokers Centres, as the case maybe, quoting the full name of the sole or first Applicant, Application Form number, address of the Applicant, Applicant's DP-ID, Client-ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the member of the Syndicate or the Designated Branch or the Registered Broker or address of the RTA or address of the Depository Participant, as the case may be, where the Application was submitted, and the ASBA Account number in which the amount equivalent to the Application 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.

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## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:

Book Running Lead Manager to the Issue	Registrar to the Issue
<b>Corporate Makers Capital Limited</b> 611, 6 <sup>th</sup> Floor, Pragati Tower, Rajendra Place, New Delhi- 110008 <b>Telephone:</b> 011 41411600 <b>Email:</b> compliance@corporatemakers.in <b>Website:</b> www.corporatemakers.in <b>Investor Grievance Email:</b> info@corporatemakers.in <b>Contact Person:</b> Mr. Rohit Pareek <b>SEBI Registration Number:</b> INM000013095 <b>CIN:</b> U65100DL1994PLC063880	<b>Skyline Financial Services Private Limited</b> D-153A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 <b>Telephone:</b> 011 40450193-197 <b>Email ID:</b> ipo@skylinerta.com <b>Investor grievance email:</b> grievances@skylinerta.com <b>Website:</b> www.skylinerta.com <b>Contact Person:</b> Mr. Virender Rana <b>SEBI Registration Number:</b> INR000003241 <b>CIN:</b> U74899DL1995PTC071324
Legal Advisor to the Issue	Peer Reviewed Statutory Auditors
<b>Abizchancellor Law LLP</b> 57A, Om Vihar, Phase-III, Uttam Nagar, Delhi- 110059 <b>Telephone:</b> +91-8882017384 <b>E-mail:</b> adv.parvindra@gmail.com <b>Contact Person:</b> Adv. Parvindra Nautiyal <b>Enrolment No.:</b> D/958/2020	<b>K M Chauhan and Associates</b> Chartered Accountants 204, Krishna Con-Arch, Near Post Office, University Road, Rajkot- 360005 <b>Telephone:</b> +91-9408005110 <b>Email:</b> bhavdip.poriya@gmail.com <b>FRN:</b> 125924W <b>Peer Review Certificate:</b> 015245 <b>Contact Person:</b> Mr. Bhavdipbhai P. Poriya
Bankers to the Company	Bankers to the Issue/Refund Banker/ Sponsor Bank*
<b>IndusInd Bank Limited</b> Ground Floor, Nakshatra IV, Dr. Radhakrishnan Road, Opp. Rajkumar College, Near Marwadi Shaves, Gymkhana Road, Rajkot, Gujarat- 360001 <b>Telephone:</b> +91-7878514131 <b>Email Id:</b> pallavi.devani@indusind.com <b>Website:</b> www.indusind.com <b>Contact Person:</b> Mr. Ankit Patel	[.]

### DESIGNATED INTERMEDIARIES:

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

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34;>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

#### Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

#### Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public



issues using UPI mechanism is provided as ‘Annexure A’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

### **Registered Brokers**

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:

(<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 Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and

at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and 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 dated August 28, 2024 from the M/s K M Chauhan and 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 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 Abizchancellor Law LLP has provided their written consent dated August 28, 2024 to act as Legal Advisor to the issue for chapters titled “*Key Industry Regulations*”, “*Government ant Other Approvals*” and “*Outstanding Litigations and Material Developments*” beginning on page nos 167, 242 and 238 of this Draft Red Herring Prospectus; and
- (iii) Our Company has received consent from Bhavin R Patel & Associates, Chartered Engineer 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 Chartered Engineer. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

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

Corporate Makers Capital Limited is the sole BRLM to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## **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.

## **Trustee**

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

## **Debenture Trustees**

Since this is not a debenture issue, appointment of debenture trustee is not required.

## **Filing of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus**

The Draft Red Herring Prospectus/ Red Herring Prospectus and Prospectus shall be filed on Emerge Platform of NSE, 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>.

## **Underwriting**

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter [●] in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated [•] 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 Equity Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
[•]	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]

*Includes up to [•] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker 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 is sufficient to enable them to discharge their respective obligations in full.

### **Changes in Auditors during the last three (3) years**

Our Company was incorporated on January 09, 2024 and has appointed M/s K M Chauhan and Associates, Chartered Accountants, as its statutory auditors and there is no change since his appointment.

### **Book Building Process**

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus/ Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLM, and will be advertised in [•] editions of the English national newspaper, [•] editions of the Hindi national newspaper, and [•] editions in Regional newspaper where our Registered Office is located, each with wide circulation, at least two working days prior to the Bid/ Issue Opening Date. The Issue Price shall be finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Offer through UPI in the ASBA process. 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.

Each Bidder by submitting a Bid in Issue, will be deemed to have acknowledged the above restrictions and the terms of the Issue

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure Bids for this Issue. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Issue.

Bidders should note that this Issue is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please refer to the chapters titled “*Issue Structure*” and “*Issue Procedure*” beginning on page no 268 and 273 respectively of this Draft Red Herring Prospectus.

## **Type of Issue**

The present Issue is considered to be Book Building Issue.

## **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.

Our Company has not made any previous public issue in India or abroad in five (5) years preceding the date of this Draft Red herring Prospectus. However, the Company has previously filed the Draft Red Herring Prospectus with EMERGE platform of National Stock Exchange of India (NSE EMERGE Platform) on September 11, 2024. Later, the Company in its Board meeting held on October 30, 2024 decided to withdraw the Draft Red Herring Prospectus dated September 11, 2024 filed with EMERGE platform of National Stock Exchange of India.

## **Market Maker**

[●]

### **Details of the Market Making Agreement**

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the BRLM and the Market Maker (duly registered with NSE Emerge to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

[●], registered with NSE Emerge 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 fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE Emerge 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 shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time Further, the Market Maker shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.

- ❖ The prices quoted by the Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of NSE Emerge Platform and SEBI from time to time.

The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to issue their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹[•]/- per share the minimum lot size is [•] Equity Shares thus minimum depth of the quote shall be [•] until the same, would be revised by NSE.

- ❖ After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, 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, the concerned stock exchange may intimate the same to SEBI after due verification.
- ❖ 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 securities of the company will be placed in Special Pre-Open Session (SPOS) and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity shares on the Stock Exchange.
- ❖ 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 Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE Emerge Platform from time to time.
- ❖ Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- ❖ There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- ❖ The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE Emerge Platform and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- ❖ 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 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.
- ❖ The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Company, who shall then be responsible to appoint a replacement Market Maker.

- ❖ In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Company to arrange for another Market Maker(s) 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. Further the Company reserve the right to appoint other Market Maker(s) 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 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.
- ❖ **Risk containment measures and monitoring for Market Maker:** Emerge Platform of NSE will have all margins which are applicable on the 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 Maker:** 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:** 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:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. 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.

- ❖ The following spread will be applicable on the NSE Emerge:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

- ❖ Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Maker 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 Crore to ₹50 Crore	20%	19%
₹50 Crore 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.
- ❖ On the first day of listing, there will be a pre-open session (call auction) and there after 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 securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

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## SECTION VI - 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
<b>A.</b>	<b>Authorized Share Capital</b> 90,00,000 Equity Shares of ₹ 10/- each	900.00	-
<b>B.</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 54,90,000 Equity Shares of ₹10/- each	549.00	-
	<b>Present Issue *</b> 24,54,000 Equity Shares of ₹ 10/-each for cash price at a price of ₹ [•] per share	[•]	[•]
<b>Which comprises of:</b>			
	<b>Reservation for Market Maker Portion</b> 1,23,600 Equity Shares of ₹ 10/-each for cash price at a price of [•] per share	[•]	[•]
	<b>Net Issue to Public</b> 23,30,400 Equity Shares of ₹10/- each for cash price at a price of [•] per share	[•]	[•]
<b>C.</b>	<b>Of the Net Issue to the Public</b>		
<b>I</b>	<b>Allocation to Qualified Institutional Buyer-</b> [•] Equity Shares of ₹10/- each at a price of ₹[•] per Equity Share.	[•]	[•]
	<i>Of which:</i>		
	a) Anchor Investor Portion- Upto [•] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[•] /- per Equity Share aggregating to ₹[•] Lakhs	[•]	[•]
	(b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)- Upto [•] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[•] /- per Equity Share aggregating to ₹[•] Lakhs	[•]	[•]
	<i>Of which:</i>		
	(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)- Upto [•] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[•] /- per Equity Share aggregating to ₹[•] Lakhs	[•]	[•]
	(ii) Balance of QIB Portion for all QIBs including Mutual Funds- Upto [•] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[•] /- per Equity Share aggregating to ₹ [•] Lakhs	[•]	[•]
<b>II</b>	<b>Allocation to Retail Individual Investor-</b> [•] Equity Shares of ₹10/- each at a price of ₹[•] /- per Equity Share shall be available for allocation for Investors applying for a value of up to ₹2.00 Lakhs.	[•]	[•]
<b>III</b>	<b>Allocation to Non-Institutional Investors-</b> [•] Equity Shares of ₹10/- each at a price of ₹[•] /- per Equity Share shall be available for allocation for Investors applying for a value of above ₹2.00 Lakhs	[•]	[•]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue</b>		
	79,44,000 Equity Shares of face value of ₹10/- each	[•]	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	1.00	
	After the Issue	[•]	

\*The present Issue has been authorized pursuant to a resolution of our Board dated July 26, 2024 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated July 26, 2024 under Section 62(1)(c) of the Companies Act, 2013.

## 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

### a. Details of changes in Authorized Share Capital of our Company since incorporation:

Sr. No.	Particulars of Changes	Cumulative No. of Share	Cumulative Authorized Share Capital (In ₹ Lakh)	Date of Shareholders Meeting	Whether AGM/EGM
1.	Incorporated with an Authorized Share Capital of ₹50,00,000 comprising of 5,00,000 Equity Shares of Face Value of ₹10/- each.	5,00,000	50.00	-	On Incorporation
2.	Increase in Authorized Share Capital from ₹50,00,000/- divided into 5,00,000 Equity Share of face value of ₹10 each to ₹9,00,00,000/- comprising of 90,00,000 Equity Shares of face value of ₹10 each.	90,00,000	900.00	January 31, 2024	EGM

### b. Equity Share Capital History:

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

Date of Allotment	No. of Shares Allotted	Face Value (₹)	Issue Price (including security premium) (₹)	Nature of		Cumulative No of Equity Shares	Cumulative Security Premium (₹)	Cumulative Paid up capital (₹)
				Allotment	Consideration			
On Incorporation	5,00,000	10	10	Subscription to MOA <sup>(1)</sup>	Cash	5,00,000	Nil	50,00,000
February 21, 2024	1,72,224	10	125	Allotment pursuant to Conversion of Loan <sup>(2)</sup>	Other than cash	6,72,224	1,98,05,760	67,22,240
March, 05, 2024	2,27,776	10	125	Allotment pursuant to the issue of shares on Right Issue <sup>(3)</sup> in the ratio of 11:32	Cash	9,00,000	4,60,00,000	90,00,000
March 08, 2024	45,90,000	10	10	Allotment pursuant to the issue of shares on Bonus Issue in the ratio 51:10 <sup>(4)</sup>	Other than cash	54,90,000	1,00,000*	5,49,00,000

\*The Company has issued 45,90,000 bonus equity shares by way of capitalization of security premium of ₹4,59,00,000 on March 08, 2024. All the above-mentioned shares are fully paid-up as on the date of this Draft Red Herring Prospectus.

1. Initial Subscribers to Memorandum of Association hold 5,00,000 Equity Shares of face value of ₹10/- each fully paid up as per the details given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Bhaveshbhai Mansukhbhai Harsoda	3,75,000
2.	Naitik Bhaveshbhai Harsoda	1,25,000
	<b>Total</b>	<b>5,00,000</b>

2. Allotment 1,72,224 Equity Shares of face value of ₹10/- each fully paid up pursuant to conversion of unsecured loan obtained from the promoters cum directors of the Company at a price of ₹125/- per equity share, details of which are given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Bhaveshbhai Mansukhbhai Harsoda	1,25,344
2.	Naitik Bhaveshbhai Harsoda	46,880
	<b>Total</b>	<b>1,72,224</b>

3. Allotment pursuant to the right issue of 2,27,776 Equity Shares of Face Value of ₹10/- each fully paid up at a price of ₹125/- per equity share, details of which are given below:

Sr. No	Name of Person	No. of Shares Allotted
1.	Bhaveshbhai Mansukhbhai Harsoda	1,70,832
2.	Naitik Bhaveshbhai Harsoda	56,944
	<b>Total</b>	<b>2,27,776</b>

4. Allotment pursuant to bonus issue of 45,90,000 Equity Shares of Face Value of ₹10/- each fully paid up, details of which are given below:

Sr. No	Name of Person	No. of Shares Allotted*
1.	Bhaveshbhai Mansukhbhai Harsoda	34,22,998
2.	Naitik Bhaveshbhai Harsoda	11,67,002
	<b>Total</b>	<b>45,90,000</b>

\*The Company has capitalised security premium of ₹4,59,00,000 out of total ₹4,60,00,000 for issue of bonus equity shares in pursuant to Section 63 of the Companies Act, 2013 and rules made thereunder.

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

**d. Issue of Equity Shares for consideration of cash–**

As on the date of this Draft Red Herring Prospectus, Our Company has issued Equity shares for consideration of cash as mentioned below.

Date of Allotment	Number of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Allottees
March 05, 2024	2,27,776	10	125	Allotment pursuant to the issue of shares on Right Issue	Refer Note-3

**e. Issue of Equity Shares for consideration other than cash–**

As on the date of this Draft Red Herring Prospectus, Our Company has not issued Equity shares for consideration other than cash except as mentioned below:

Date of Allotment	Number of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Reason for Allotment	Allottees
February 21, 2024	1,72,224	10	125	Allotment pursuant to Conversion of Loan	Refer Note-2
March 08, 2024	45,90,000	10	Nil	Allotment pursuant to Bonus Issue in the Ratio of 51 fully Paid-up Equity Shares for every 10 Equity Shares held by existing Shareholders.	Refer Note-4

**f. Revaluation of our assets:**

We have not re-valued our assets since inception and have not issued any equity shares (*including bonus shares as mentioned in point 5 above*) by capitalizing any revaluation reserves.

**g. If shares have been issued in terms of any scheme approved under section 230-234 of the Companies Act, 2013:**

Our Company has not issued any Equity Shares in terms of any scheme approved under section 230-234 of the Companies Act, 2013.

**h. If shares have been issued under one or more employee stock option schemes:**

Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.

**i. Compliance of the provisions of the Companies Act, 2013 and rules made thereunder with respect to issuance of securities since incorporation of the Company:**

Our Company has complied with the applicable provisions of the Companies Act, 2013 and rules made thereunder with respect to all allotments made since its inception.

**j. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price except the following:**

Date of Allotment	Number of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Reason for Allotment	Allottees
March 08, 2024	45,90,000	10	Nil	Allotment pursuant to Bonus Issue in the Ratio of 51 fully Paid-up Equity Shares for every 10 Equity Shares held by existing Shareholders.	Refer Note-4

**k. Details of Allotment made in the last two years preceding the date of Draft Red Herring Prospectus:**

Our Company has issued following Equity Shares in the last two years preceding the date of Draft Red Herring Prospectus:

Date of Allotment	Number of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Reason for Allotment	Allottees
February 21, 2024	1,72,224	10	125	Allotment pursuant to Conversion of Loan	Refer Note-2

Date of Allotment	Number of Equity Shares	Face Value (In ₹)	Issue Price (In ₹)	Reason for Allotment	Allottees
March 05, 2024	2,27,776	10	125	Allotment pursuant to the issue of shares on Right Issue	Refer Note-3
March 08, 2024	45,90,000	10	Nil	Allotment pursuant to Bonus Issue in the Ratio of 51 fully Paid-up Equity Shares for every 10 Equity Shares held by existing Shareholders.	Refer Note-4

## I. Pre-IPO Placement

Our Company is not considering any pre-IPO placement of equity shares of the Company.

**m. The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given here below:**

Sr. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non Promoter-Non Public
1	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2	Whether the Company has issued any Convertible Securities?	No	No	No	No
3	Whether the Company has issued any Warrants?	No	No	No	No
4	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5	Whether the Company has any shares in locked-in?	No	No	No	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?	No	No	No	No
7	Whether company has equity shares with differential voting rights?	No	No	No	No

*Note: All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of shares on Emerge Platform of NSE. Our Company shall 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.*

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**n. Shareholding Pattern of our Company**

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No of fully paid up equity shares held. (IV)	No of partly paid up equity shares held. (V)	No. of shares underlying Depository Receipts (VI)	Total No of Shares held (VII = IV + V + VI)	Shareholding as a % of total No. of Shares (calculated as per SCRR,1957 (As a % of (A + B + C2) (VIII)	Number of Voting Rights held in each Class of securities (IX)				No of underlying outstanding convertible securities (incl. Warrants) (X)	Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI=VII +X)	Number of Locked in shares (XII)		No. of shares Pledged Or Otherwise Encumbered (XIII)		No. of Equity shares held in De-mat Form (XIV)
								Class X	Class Y	Total	Total as % of (A+B+C)			Nos of shares held (a)	As % of total number of shares held (b)	Nos of shares held (a)	As % of total number of shares held (b)	
I.	II.	III.	IV.	V.	VI.	VII.	VIII.	IX.				X.	XI.	XII.		XIII.		XIV.
A.	Promoter & Promoter Group	4	54,89,700	-	-	54,89,700	99.99%	54,89,700	-	54,89,700	99.99%	-	-	-	-	-	-	54,89,700
B.	Public	3	300	-	-	300	0.01%	300	-	300	0.01%	-	-	-	-	-	-	300
C.	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D 1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D 2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>54,90,000</b>			<b>54,90,000</b>	<b>100%</b>	<b>54,90,000</b>		<b>54,90,000</b>	<b>100.00%</b>							<b>54,90,000</b>

**Note:**

- The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- As on date of this Draft Red Herring Prospectus, 1 Equity share holds 1 vote.
- As on date, we have only one class of Equity Shares of face value of ₹10/- each.
- We have entered into tripartite agreement with CDSL & NSDL.
- All Pre-IPO equity shares of our Company will be locked-in as per regulations of SEBI ICDR prior to listing of shares on Emerge Platform of National Stock Exchange of India.
- In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, all specified securities held by promoters are dematerialized.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of National Stock Exchange of India before commencement of trading of such Equity Share.
- The Company has duly complied with the provisions of the Companies Act, 2013 and rules made thereunder with respect to all allotments made by the Company since its incorporation

**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 the filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Shares held (Face Value of ₹10 each)	% Pre-Issue paid up Share Capital
1.	Bhaveshbhai Mansukhbhai Harsoda	40,93,674	74.57
2.	Naitik Bhaveshbhai Harsoda	13,95,826	25.42
<b>Total</b>		<b>54,89,500</b>	<b>99.99</b>

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

Sr. No.	Name of Shareholders	Shares held (Face Value of ₹10 each)	% Pre-Issue paid up Share Capital
1.	Bhaveshbhai Mansukhbhai Harsoda	40,93,674	74.57
2.	Naitik Bhaveshbhai Harsoda	13,95,826	25.42
<b>Total</b>		<b>54,89,500</b>	<b>99.99</b>

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

Our Company had been incorporated on January 09, 2024 viz. less than one year prior to the date of filing of the Draft Red Herring Prospectus. Hence, requirement of disclosing the list of shareholders prior to one year from the date of filing of the Draft Red Herring Prospectus, is not applicable on us.

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

The Company was incorporated on January 09, 2024. Therefore, this clause is not applicable on the Company.

**o. Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-offer share capital of our Company:**

Name of Shareholder	Date of Transaction	Category	No. of Equity Shares Subscribed/Acquired	No of Equity shares sold	Nature of Transaction
Bhaveshbhai Mansukhbhai Harsoda	January 09, 2024	Promoter	3,75,000	-	Subscription to MOA
Naitik Bhaveshbhai Harsoda	January 09, 2024	Promoter	1,25,000	-	Subscription to MOA
Bhaveshbhai Mansukhbhai Harsoda	February 21, 2024	Promoter	1,25,344	-	Conversion of unsecured Loan into equity Share
Naitik Bhaveshbhai Harsoda	February 21, 2024	Promoter	46,880	-	Conversion of unsecured Loan into equity Share
Bhaveshbhai Mansukhbhai Harsoda	March 05, 2024	Promoter	1,70,832	-	Right Issue
Naitik Bhaveshbhai Harsoda	March 05, 2024	Promoter	56,944	-	Right Issue
Bhaveshbhai Mansukhbhai Harsoda	March 08, 2024	Promoter	34,22,998	-	Bonus Issue



Naitik Bhaveshbhai Harsoda	March 08, 2024	Promoter	11,67,002	-	Bonus Issue
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p. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

q. 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.

**r. Details of Shareholding of our Promoters and members of the Promoter Group in the Company:**

The shareholding pattern of our Promoters and Promoters' Group before and after the Issue is as under:

Sr. No.	Name of Shareholders	Pre-Issue		Post-Issue*	
		No. of equity shares	As a % of Issued capital	No. of equity shares	As a % of Issued Capital
<b>Promoters</b>					
1.	Mr. Bhaveshbhai Mansukhbhai Harsoda	40,93,674	74.57	[•]	[•]
2.	Mr. Naitik Bhaveshbhai Harsoda	13,95,826	25.42	[•]	[•]
<b>Total- A</b>		<b>54,89,500</b>	<b>99.99</b>	[•]	[•]
<b>Promoters Group</b>					
3.	Mrs. Hetalben Bhaveshbhai Harsoda	100	0.00	[•]	[•]
4.	Mrs. Labhuben Mansukhbhai Harsoda	100	0.00		
<b>Total- B</b>		<b>200</b>	<b>0.00</b>	[•]	[•]
<b>Total Shareholding (A+B)</b>		<b>54,89,700</b>	<b>100.00</b>	[•]	[•]

\*Subject to finalization of basis of allotment

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. As on the date of this Draft Red Herring Prospectus, our Promoter holds 54,89,500 Equity Shares, which constitutes approximately 99.99% of the pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and approximately [•]% of the post-IPO issued, subscribed and paid-up Equity Share capital assuming full allotment of the shares offered in IPO.

All Equity Shares held by the Promoters and members of Promoter Group have been dematerialized as on date of this Draft Red Herring Prospectus. The Details are as under:

**Name of Promoter: Mr. Bhaveshbhai Mansukhbhai Harsoda**

Date of Allotment	Nature of Transaction	Face Value of Equity Share (In ₹)	Issue/ Transfer Price of Equity Share (In ₹)	No. of Shares	Cumulative no. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital*
January 09, 2024	On Incorporation	10	10	3,75,000	3,75,000	6.83	[•]
February 21, 2024	Conversion of Loan	10	125	1,25,344	5,00,344	2.28	[•]
March 05, 2024	Right Issue	10	125	1,70,832	6,71,176	3.11	[•]
March 08, 2024	Bonus Issue	10	Nil	34,22,998	40,94,174	62.35	[•]
March 11, 2024	Transfer	10	125	500	40,93,674	0.01	[•]
<b>Total</b>					<b>40,93,674</b>	<b>74.57</b>	[•]

\*subject to finalisation of basis of allotment

**Name of Promoter Mr. Naitik Bhaveshbhai Harsoda**

Date of Allotment	Nature of Transaction	Face Value of Equity Share (In ₹)	Issue/ Transfer Price of Equity Share (In ₹)	No. of Shares	Cumulative no. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital*
January 09, 2024	On Incorporation	10	10	1,25,000	1,25,000	2.28	[•]
February, 21, 2024	Conversion of Loan	10	125	46,880	1,71,880	0.85	[•]
March 05, 2024	Right Issue	10	125	56,944	22,88,24	1.04	[•]
March 11, 2024	Bonus Issue	10	Nil	11,67,002	13,95,826	21.26	[•]
<b>Total</b>					<b>13,95,826</b>	<b>25.42</b>	

\*subject to finalisation of basis of allotment

**Name of Promoter Group: Mrs. Hetalben Bhaveshbhai Harsoda**

Date of Allotment/ Transfer	Nature of Transaction	Face Value of Equity Share (In ₹)	Issue/ Transfer Price of Equity Share (In ₹)	No. of Shares	Cumulative no. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital*
March 11, 2024	Transfer	10	125	100	100	0.00	[•]
<b>Total</b>					<b>100</b>		

\*subject to finalisation of basis of allotment

**Name of Promoter group: Mrs. Labhuben Mansukhbhai Harsoda**

Date of Allotment	Nature of Transaction	Face Value of Equity Share (In ₹)	Issue/ Transfer Price of Equity Share (In ₹)	No. of Shares	Cumulative no. of Equity Shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital*
March 11, 2024	Transfer	10	125	100	100	0.00	[•]
<b>Total</b>					<b>100</b>		

\*subject to finalisation of basis of allotment

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged;

The maximum and minimum price at which the aforesaid transaction was made is ₹125 per Equity Share.

Except as mentioned below, none of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus:

Date of Transaction	No. of Equity shares allotted/ acquired/ Sold	Face Value Per Equity Shares (In ₹)	Issued Price/ Acquired Price/ Transfer Price per Equity Shares (In ₹)	Nature of Transaction	Nature of Consideration	Name of the Allottees / Transferor / Transferee	Category
January 09, 2024	3,75,000	10	10	Subscription to MOA	Cash	Bhavesbhai Mansukhbhai Harsoda	Promoter & Director
January 09, 2024	1,25,000	10	10	Subscription to MOA	Cash	Naitik Bhavesbhai Harsoda	Promoter & Director
February 21, 2024	1,25,344	10	125	Conversion of unsecured Loan into equity Share	Other Than Cash	Bhavesbhai Mansukhbhai Harsoda	Promoter & Director
February 21, 2024	46,880	10	125	Conversion of unsecured Loan into equity Share	Other Than Cash	Naitik Bhavesbhai Harsoda	Promoter & Director
March 05, 2024	1,70,832	10	125	Right Issue	Cash	Bhavesbhai Mansukhbhai Harsoda	Promoter & Director
March 05, 2024	56,944	10	125	Right Issue	Cash	Naitik Bhavesbhai Harsoda	Promoter & Director
March 08, 2024	34,22,998	10	10	Bonus Issue	Other Than Cash	Bhavesbhai Mansukhbhai Harsoda	Promoter & Director
March 08, 2024	11,67,002	10	10	Bonus Issue	Other Than Cash	Naitik Bhavesbhai Harsoda	Promoter & Director
March 11, 2024	500	10	125	Transfer	Cash	Bhavesbhai Mansukhbhai Harsoda	Promoter & Director

(a) Details of Transfer of Equity Shares by Mr. Bhavesbhai Mansukhbhai Harsoda of 500 Equity Shares dated March 11, 2024:

Sr. No.	Name of Shareholders	No. of Equity Shares	% of Pre-Issued Capital
1.	Hetalben Bhavesbhai Harsoda	100	0.00

2.	Harsoda Dishant Hasmukhbhai	100	0.00
3.	Labhuben Mansukhbhai Harsoda	100	0.00
4.	Pambhar Pravinaben Sureshbhai	100	0.00
5.	Pambhar Pratik Jagdishbhai	100	0.00

(b) The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of shares held	Average cost of Acquisition (In ₹)
1.	Mr. Bhaveshbhai Mansukhbhai Harsoda	40,93,674	9.94
2.	Mr. Naitik Bhaveshbhai Harsoda	13,95,826	10.19

(c) The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.

(d) All the shares held by our Promoters were fully paid-up.

- i) None of our Promoter, 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.
- ii) Our Promoters have confirmed to the Company and the BRLM that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- iii) There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing offer document with the Stock Exchanges.

**s. Details of Promoter's Contribution locked in for three years:**

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoter shall be considered as Promoter's Contribution ("Promoter's 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.

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.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 54,89,500 Equity Shares constituting [●]% of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters Mr. Bhaveshbhai Mansukhbhai Harsoda and Mr. Naitik Bhaveshbhai Harsoda have granted consent to include such number of Equity Shares held by them as may constitute of the post issue Equity Share capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified below.

Date of Allotment/ Transfer	No. of Equity Shares locked-in	Face Value Per Share (In Face Value Per Share (In ₹))	Issue Acquisition/ Transfer Price (In ₹)	Nature of Transactions	Post-Issue Shareholding %	Lock in Period
<b>Mr. Bhaveshbhai Mansukhbhai Harsoda</b>						
January 09, 2024	3,75,000	10	10	Incorporation	[•]	[•]
February 21, 2024	1,25,344	10	125	Conversion of Loan into Equity Shares	[•]	[•]
March 05, 2024	1,70,832	10	125	Right Issue	[•]	[•]
March 08, 2024	34,22,998	10	Nil	Bonus Issue	[•]	[•]
March 11, 2024	500	10	125	Transfer	[•]	[•]
<b>Mr. Naitik Bhaveshbhai Harsoda</b>						
January 09, 2024	1,25,000	10	10	Incorporation	[•]	[•]
February 21, 2024	46,880	10	125	Conversion of Loan into Equity Shares	[•]	[•]
March 05, 2024	56,944	10	125	Right Issue	[•]	[•]
March 08, 2024	11,67,002	10	Nil	Bonus Issue	[•]	[•]

\*Lockin details will be finalise subject to on the basis of allotment

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

Sr. No.	Name of Shareholders	Pre-Issue		Post-Issue*	
		No. of equity shares	As a % of Issued capital	No. of equity shares	As a % of Issued Capital
<b>Promoters</b>					
1.	Mr. Bhaveshbhai mansukhbhai harsoda	40,93,674	74.57	[•]	[•]
2.	Mr. Naitik Bhaveshbhai Harsoda	13,95,826	25.42	[•]	[•]
<b>Total- A</b>		<b>54,89,500</b>	<b>99.99</b>	[•]	[•]
<b>Promoters Group</b>					
3.	Hetalben Bhaveshbhai Harsoda	100	0.00	[•]	[•]
4.	Labhuben Mansukhbhai Harsoda	100	0.00	[•]	[•]
<b>Total- B</b>		<b>200</b>	<b>0.00%</b>	[•]	[•]
<b>Total Shareholding (A+B)</b>		<b>54,89,700</b>	<b>99.99</b>	[•]	[•]

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

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

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

**Details of Promoters’ Contribution Locked-in for One Year**

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

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

**Equity Shares locked-in for three years**

The details of Lock-in Period of existing Pre- IPO capital of promoters for 3 years are as follows:

<b>Sr. No.</b>	<b>Category</b>	<b>No. of Shares</b>	<b>Lock in Period</b>
1	Promoters	15,88,800	3 years

## Equity Shares locked-in for one year

The details of Lock-in Period of existing Pre- IPO capital of Promoters, Promoters Group and Public for 1 year are as follows:

Sr. No.	Category	No. of Shares	Lock in Period
1	Promoters	63,54,700	1 year
2	Promoters Group	200	
3	Public	300	

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

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
  2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
  3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- t.** 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.
- u.** 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.
- v.** The BRLM i.e. Corporate Makers Capital 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 and no shareholders of the Company is directly or indirectly related to the BRLM. Further BRLM is not directly or indirectly related to promoter/ promoter group, directors of the Company.
- u.** 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.
- v.** We have 7 (Seven) shareholders as on the date of filing of this Draft Red Herring Prospectus. No public shareholder is directly or indirectly related to our Company/ promoters/ promoters group and each other.
- w.** 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.



- x.** Our Company has not raised any bridge loan against the proceeds of the Issue.
- y.** 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.
- z.** 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.
- aa.** An over-subscription to the extent of 10% of the Issue, can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% 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 years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
- ab.** 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.
- ac.** 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.
- ad.** At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
- ae.** Our Company shall comply with such disclosure and accounting norms as may be specified by the designated stock exchange, SEBI and other regulatory authorities from time to time.
- af.** There are no Equity Shares against which depository receipts have been issued.
- ag.** Other than the Equity Shares, there is no other class of securities issued by our Company.
- ah.** There are no safety net arrangements for this public issue.
- ai.** As per RBI regulations, OCBs are not allowed to participate in this issue.
- aj.** Our Promoters and Promoter Group will not participate in this Issue.
- ak.** This Issue is being made through Book Building Method.
- al.** 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.
- am.** 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.
- an.** 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 RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## SECTION VII - PARTICULARS OF THE ISSUE OBJECTS OF THE ISSUE

The Issue includes a Fresh Issue of upto 24,54,000 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 out the Capital Expenditure in requirements for the purchase of Machinery;
2. Repayment of certain borrowings;
3. To meet out the Working Capital Requirements and
4. To meet out the General Corporate Purposes.

(Collectively, referred to herein as the “**Objects of the Issue**”)

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 Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds of the Issue	[•]
Less: Issue related expenses in relation to Issue	[•]
<b>Net Proceeds</b>	<b>[•]</b>

### Requirement of Funds and Utilization of Net Proceeds

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

Sr. No.	Particulars	Amount (₹ In Lakhs)
1.	Capital Expenditure in requirements for the purchase of Machinery	Upto 560.00
2.	Repayment of certain borrowings	Upto 100.00
3.	To meet out the Working Capital Requirements;	Upto 1,515.00
4.	General Corporate Purposes	[•]
	<b>Total</b>	<b>[•]</b>

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

*Note: The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds from the Issue.*

### Means of Finance

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

Particulars	Amount (₹ In Lakhs)
Net Issue Proceeds	[•]
<b>Total</b>	<b>[•]</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 utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation 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 utilisation 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”** on page no 87 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.

Pre-IPO proceeds being discretionary in nature, if raised shall be completely attributed/ adjusted towards General Corporate Purpose.

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 no 29 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. Capital Expenditure in requirements for the purchase of Machinery**

As on the date of this Draft Red Herring Prospectus, existing manufacturing unit of our company is located at Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat, India admeasuring the total area of 4,500 Sq. Ft.

To expand our manufacturing capabilities, our Company intends to deploy an amount aggregating upto ₹560.00 lakhs out of net proceeds for Capital Expenditure in requirements for the purchase of Machinery. Our Company has identified the type of machinery to be purchased for the manufacturing unit and obtained quotation from various vendors but we are yet to place order for 100% of machinery. Our Company is proposing to install the new machinery at Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat, India, which is owned by M/s Ripal Polymers, Partnership Firm & forms part of Promoter & Promoter Group. Further we confirm that we are in compliance with Regulation 230(3), of SEBI (ICDR) Regulations, 2018.

Presently, our majority of machinery operates at approximately 90% of its installed capacity. It is important to note that the existing machineries used by the Company are second hand which was acquired in July 2020. Due to the age of these machines, we are unable to operate them at their full capacity, necessitating an upgrade of our machinery to remain competitive in the market.

In our strategic vision to exponentially expand our production capacity, we are seeking advanced machinery that will play a crucial role in scaling our market supply and significantly boosting our market share through increased sales. This said machinery is designed to enhance the quality of our products but also to accelerate production timelines, ensuring we meet growing demand more efficiently. By improving our supply capacity, we will be well-positioned to penetrate untapped markets, unlocking new revenue streams and capitalizing on previously unexplored opportunities. Additionally, with a larger production scale, we can leverage economies of scale to reduce per-unit costs, making our offerings more competitive.

**Details of machinery to be acquired by our Company is provided below:**

<b>THEYSOHN Extrusionstechnik (India) Pvt. Ltd. located at 201, Power Point Building, Lane No. 6, Koregaon Park, Pune 411 001</b>			
<b>S. No.</b>	<b>Items and Description</b>	<b>Quantity (in pcs)</b>	<b>Price/ unit (₹ in Lakhs)</b>
<b>Machinery-1: Twin Screw Extruder</b>			
<b>Quotation -1</b>			
1.	Twin Screw CPVC Pelletizing Extruder Model Con 50 with <b>DIRECT COUPLED GEAR BOX and DEEP NITRIDED SCREWS and BARREL</b> having CPVC Output upto 150 KG/HR, Electric Drive Panel eith 4 Nos. tooling zones along with Single Screw Starve Feeder for Hooper	1	149.26
	a) Touch-Screen Unit		
	b) Melt Pressure Indicator		
	c) Air Conditioner for Control Panel		
	Dieface Pelletizer consisting of Pelletizing Diehead and Pelletcooling System		

<b>CPVC PIPE EXTRUDER Con 50 Max Output 150Kg/Hr</b>	
<b>TECHNICAL SPECIFICATIONS</b>	
Extruder	Conical Twin Screw Counter Rotating
Screw Diameter	50/108 mm
Screw Length	1183 mm
Max Screw Speed	41 rpm
Screw Torque	5,126 Nm
Barrel Heating	Through Ceramic Heaters
Heating Load	11 KW
No. of Zones	4
Barrel Cooling	Provided in Zones 2, 3, 4 Air Cooled
Screw Cooling	Active Screw Core Temperature Control System Heat Capacity 10 KW Cooling 15 KW (chilled water circulation) Pump 0.5 KW @ 60 LPM
Screws	Deep Nitrided
Barrel	Deep Nitrided
Starve Feeder	Horizontal
Feeder Motor	1.1 KW @ 120 rpm
Feed System	By a steel fabricated hopper of 110 litres capacity Feed section has jacket type construction for water cooling
Main Motor	23 KW
Transmission System	Motor Directly Coupled to Gear Box
Degassing	1.5 KW
Control System	Control Cabinet fabricated from steel sheets is mounted on a sturdy fabricated frame and houses all electrical equipment. Separate adjustable cabinet for the Touch screen
Gelification Capacity	150 Kg/Hr (CPVC Extrusion Grade)
Centre Height	1100 +/- 50 mm
Overall Dimensions	Length: 2675 mm Width: 1140 mm Height: 2223 mm
Weight	2200 Kg

## Die Face Pelletizing System

### TECHNICAL SPECIFICATIONS

<b>PELLETIZING DIE HEAD</b>	
Max Throughput	100-250 Kgs/Hr.*
Heating Zone	50/108 mm
Heating Load	1.8Kw
Pelletizing Die Head geared Motor	1.1 Kw with A.C. Variable Frequency Drive
Extrusion Height	1100 + 50
<b>PELLET COOLER</b>	
Throughput	100-250 Kg/Hr
Conveyor Fan Load	3.5 Kw
Conveyor Air Throughput	6 m3/Min.
Cooling Fan	5 Kw
Cooling Air	60 m3/Min.
Conveying Line Nominal Dia	100 mm
Conveying Live Dia	100 mm
Cooling Air Line	300 mm
Length	3200 mm Approx
Width	900 mm Approx
Height	3800 mm Approx
Pipe Line Length	15 Mtrs Approx
No. of Bend	2
Max. Conveying Height	6 Mtrs Approx
Max Conveying Length	10 Mtrs Approx
Water Required	10 to 12 ° C at 1-1.5 m3/Hr, at 2 Bar Pressure

- Water Required: 10 to 12 ° C at 1-1.5 m3/Hr, at 2 Bar Pressure.
- Maximum Output is depending upon raw material, processing parameters and ambient temperature condition. However guaranteed output can be advised if you can inform us about the exact formulation and processing parameters.
- Pellet temp. at rated output is above 15 to 20 C above air inlet temperature.
- We recommend 12 to 15 C Air Temperature by supplying chilled water.
- Date of quotation: November 15, 2024.
- Validity: 75 days

#### Machinery-1

#### Quotation -2

**Polymetrix Solutions located at  
Plot No. 98, Damanganga Industrial Park, Karvad Main Road, Karvad,  
Vapi, Gujarat, India – 396191**

1.	<b>Twins Screw Extruder Leisyritz ZSE 40CC-44D</b>	
	<b>TECHNICAL SPECIFICATIONS</b>	
	L/D Ratio	44
	Do/Di	1.5
	Motor Power	90 KW – Siemens (Air Cooled), IP 55, F Class
	Machine RPM	30-1000
	Total Torque	864 NM
	Gear Box Make	PIV-made in Germany
	Screw Hardness	VAS200
	Barrel Hardness	VSA200
	Safety Clutch	Siemens -Flender-Germany

Water Solenoid Valve	Robust Industrial Valve (Coex Valve)-De
Vaccum Pump Capacity (Dry Air @20DC/100mb)	48 m3/hrs
Cooling system (Cooling efficiency)	75 KW
Screw Diameter	39.7 MM
Flight Depth	6.5 MM
HMI (Electric Controls)	Siemens TP1200
Control Screen	Siemens CPU 1512SP-1 PN
Die Head	Easy openable die head design
Barrel Cooling Design	Surrounding the Barrel and nearer to Chamber
Screw Shaft	Made in Germany
Side Feeder	Withn Barrel cooling arrangement with special features for low bulk density material
Amount (EUR)	1,94,670*
Amount (In ₹)*	172.00 Lakh
Date of quotation and validity	November 04, 2024 and valid for 60 days
* We have received the quotation in EUR and have converted the value of EUR into Indian Rupees considering closing RBI reference/ conversion rate as on December 19, 2024.	

**Rajoo Bausano Extrusion Pvt. Ltd. located at  
Survey No. 210, Plot No. 1, Industrial Area, Veraval, Gujarat- 360002**

**Machinery-2: Twin Screw PVC Compounding Line**

**Quotation-1**

1.	<p><b>Twin Screw PVC Compounding Line</b></p> <p><b>Granulex RBMD-66/30</b></p> <p><b>Scope:</b></p> <p>a. One: 66 mm / 30 D / 9 kW x 2 twin screw extruder MD-66/30</p> <p>b. One: Granulation die head TGC-66</p> <p>c. One: Die face cutter L3/M</p> <p>d. One: Cooling unit for pallets RG3</p> <p>e. One: Process control panel with PLC and HMI</p> <p><b>Salient Features:</b></p> <p>a. Screw diameter: 66 x 2 mm</p> <p>b. Screw length: 30 L/D</p> <p>c. Screw speed range: 10-60 rpm</p> <p>d. Maximum plasticizing capacity: 270 Kg/Hr</p> <p>e. Total installed load: 79.00* KW</p> <p>f. Line dimension (L x W x H): 12000 x 3000 x 5000</p> <p>Date of quotation: November 09, 2024 Validity: 90 days</p>	1	98.76
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**Machinery-3**

**Quotation- 1**

2.	<p><b>Twin Screw PVC Compounding Line</b></p> <p><b>Granulex RBMD – 75/30</b></p> <p><b>Scope:</b></p> <p>a. One: 75 mm/30D/18.5 KW x 2 twin screw extruder MD-75/30</p> <p>b. One: Granulation die head TGC-75</p> <p>c. One: Die face cutter L3/M</p> <p>d. Coolinh unit for pallets RG3</p> <p>e. Process control panel with PLC and HMI</p>	1	114.96
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	<b>Salient Features:</b> a. Screw diameter: 75 x 2 mm b. Screw length: 30 L/D c. Screw speed range: 8 – 60 rpm d. Maximum plasticizing capacity: 450 kg/hr e. Total installed load: 99.00* f. Line dimension (L x W x H): 13000 x 3000 x 5000  Date of quotation: November 05, 2024 Validity: 90 days		
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**Coperion (Nanjing) Machinery Co. Ltd located at  
No. 1296, Ji Yin Avenue, Jiangning, Economic & Technology Development Zone, Nanjing, P. R. China-  
211106**

**Machinery-2: CTE 50 Plus Twin-Screw Extruder  
Quotation -2**

1.	<b>CTE 50 Plus Twin-Screw Extruder</b>  <b>One (1) Co-Rotating extruder type CTE 50 Plus</b>	1	1,22,300* USD  (₹104.04 Lakh)								
	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Process</td> <td>Production of masterbatch by premix technology</td> </tr> <tr> <td>Products</td> <td> Powered PP, PE, PS, ABS, SAN, PC, PA, PBT etc.  i. Max. 60-70 % inorganic pigments e.g. TiO2  ii. Max. 40 % organic pigments  iii. Max. 25 % additives e.g. UV, Antiblock, Antislip </td> </tr> <tr> <td>Throughout range</td> <td>@600 rpm: 100 – 180 kg/h depending on formulation, raw materials and operation conditions of extruder</td> </tr> <tr> <td>Date of quotation</td> <td>November 05, 2024 and its valid for three month</td> </tr> </table>	Process	Production of masterbatch by premix technology	Products	Powered PP, PE, PS, ABS, SAN, PC, PA, PBT etc. i. Max. 60-70 % inorganic pigments e.g. TiO2 ii. Max. 40 % organic pigments iii. Max. 25 % additives e.g. UV, Antiblock, Antislip	Throughout range	@600 rpm: 100 – 180 kg/h depending on formulation, raw materials and operation conditions of extruder	Date of quotation	November 05, 2024 and its valid for three month		
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Throughout range	@600 rpm: 100 – 180 kg/h depending on formulation, raw materials and operation conditions of extruder										
Date of quotation	November 05, 2024 and its valid for three month										

**Machinery-3:  
Quotation -2**

2.	<b>CTE 65 Plus Twin-Screw Extruder</b>  <b>One (1) Co-Rotating extruder type CTE 65 Plus</b>	1	1,68,700* USD  (₹143.51 Lakh)								
	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Process</td> <td>Production of masterbatch by premix technology</td> </tr> <tr> <td>Products</td> <td> Powered PP, PE, PS, ABS, SAN, PC, PA, PBT etc.  i. Max. 60-70 % inorganic pigments e.g. TiO2  ii. Max. 40 % organic pigments  iii. Max. 25 % additives e.g. UV, Antiblock, Antislip </td> </tr> <tr> <td>Throughout range</td> <td>@600 rpm: 150 – 350 kg/h depending on formulation, raw materials and operation conditions of extruder</td> </tr> <tr> <td>Date of quotation</td> <td>November 05, 2024 and valid for 3 months</td> </tr> </table>	Process	Production of masterbatch by premix technology	Products	Powered PP, PE, PS, ABS, SAN, PC, PA, PBT etc. i. Max. 60-70 % inorganic pigments e.g. TiO2 ii. Max. 40 % organic pigments iii. Max. 25 % additives e.g. UV, Antiblock, Antislip	Throughout range	@600 rpm: 150 – 350 kg/h depending on formulation, raw materials and operation conditions of extruder	Date of quotation	November 05, 2024 and valid for 3 months		
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Throughout range	@600 rpm: 150 – 350 kg/h depending on formulation, raw materials and operation conditions of extruder										
Date of quotation	November 05, 2024 and valid for 3 months										

*\* We have received the quotation in USD and have converted the value of USD into Indian Rupees considering closing RBI reference/ conversion rate as on December 19, 2024.*

**Machinery- 4 & Quotation-1:**

**Servo Motor Fully Automatic Micro Process Control System Plastic Injection Molding Machine**

**M.M. Enterprise located at  
Atlas Ind. Area, Plot No. 35, B/h. Maldhari Fatak, Gondal Road Chokdi,  
Kothariya, Rajkot (Gujarat)**

1.	<b>180 Ton Servo Motor Fully Automatic Micro Process Control System Plastic Injection Molding Machine</b>  <b>Technical Specification:</b> <table border="1"><thead><tr><th>Particulars</th><th>Size in MM</th></tr></thead><tbody><tr><td>Screw Diameter</td><td>50</td></tr><tr><td>Shot Weight (PS)</td><td>400</td></tr><tr><td>Nozzle Stroke</td><td>250</td></tr><tr><td>Heating Zone</td><td>4</td></tr><tr><td>Mold Opening Stroke</td><td>400 mm</td></tr><tr><td>Tie Bar Distance</td><td>485 x 485 mm 19"X19"</td></tr><tr><td>Ejector Stroke</td><td>110</td></tr></tbody></table> <b>Assembly Details:</b> <table border="1"><tbody><tr><td>Servo Motor Pump</td></tr><tr><td>PLC Erico – 8" inch Screen</td></tr><tr><td>04 Valve – Rex Roth</td></tr><tr><td>Hydro Motor – Radial Piston</td></tr><tr><td>Heater - Ceramic</td></tr><tr><td>Lubrication – Automatic</td></tr><tr><td>Oil Tank – 350 LTR</td></tr><tr><td>Motor - 20KW</td></tr></tbody></table> <b>Date of quotation &amp; validity:</b> November 04, 2024 and valid for 90 days	Particulars	Size in MM	Screw Diameter	50	Shot Weight (PS)	400	Nozzle Stroke	250	Heating Zone	4	Mold Opening Stroke	400 mm	Tie Bar Distance	485 x 485 mm 19"X19"	Ejector Stroke	110	Servo Motor Pump	PLC Erico – 8" inch Screen	04 Valve – Rex Roth	Hydro Motor – Radial Piston	Heater - Ceramic	Lubrication – Automatic	Oil Tank – 350 LTR	Motor - 20KW	1	20.75
Particulars	Size in MM																										
Screw Diameter	50																										
Shot Weight (PS)	400																										
Nozzle Stroke	250																										
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Motor - 20KW																											

2.	<p><b>Machinery-5 Quotation-1</b></p> <p><b>300 Ton Servo Motor Fully Automatic Micro Process Control System Plastic Injection Molding Machine</b></p> <p><b>Technical Specification:</b></p> <table border="1" data-bbox="252 383 906 696"> <thead> <tr> <th>Particulars</th> <th>Size in MM</th> </tr> </thead> <tbody> <tr> <td>Screw Diameter</td> <td>65</td> </tr> <tr> <td>Shot Weight (PS)</td> <td>700</td> </tr> <tr> <td>Nozzle Stroke</td> <td>300</td> </tr> <tr> <td>Heating Zone</td> <td>5</td> </tr> <tr> <td>Mold Opening Stroke</td> <td>600 mm</td> </tr> <tr> <td>Tie Bar Distance</td> <td>665 X 665 mm 26" X 26"</td> </tr> <tr> <td>Ejector Stroke</td> <td>150</td> </tr> </tbody> </table> <p><b>Assembly Details:</b></p> <table border="1" data-bbox="252 797 906 1077"> <tbody> <tr> <td>Servo Motor Pump</td> </tr> <tr> <td>PLC Erico – 8" inch Screen</td> </tr> <tr> <td>04 Valve – Rex Roth</td> </tr> <tr> <td>Hydro Motor – Radial Piston</td> </tr> <tr> <td>Heater - Ceramic</td> </tr> <tr> <td>Lubrication – Automatic</td> </tr> <tr> <td>Oil Tank – 500 LTR</td> </tr> <tr> <td>Motor -30KW</td> </tr> </tbody> </table> <p><b>Date of quotation and validity:</b> November 04, 2024 and valid for 90 days</p>	Particulars	Size in MM	Screw Diameter	65	Shot Weight (PS)	700	Nozzle Stroke	300	Heating Zone	5	Mold Opening Stroke	600 mm	Tie Bar Distance	665 X 665 mm 26" X 26"	Ejector Stroke	150	Servo Motor Pump	PLC Erico – 8" inch Screen	04 Valve – Rex Roth	Hydro Motor – Radial Piston	Heater - Ceramic	Lubrication – Automatic	Oil Tank – 500 LTR	Motor -30KW	1	38.10
Particulars	Size in MM																										
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3.	<p><b>Machinery- 6 Quotation-1</b></p> <p><b>400 Ton Servo Motor Fully Automatic Micro Process Control System Plastic Injection Molding Machine</b></p> <p><b>Technical Specification:</b></p> <table border="1" data-bbox="252 1451 887 1765"> <thead> <tr> <th>Particulars</th> <th>Size in MM</th> </tr> </thead> <tbody> <tr> <td>Screw Diameter</td> <td>80</td> </tr> <tr> <td>Shot Weight (PS)</td> <td>1100</td> </tr> <tr> <td>Nozzle Stroke</td> <td>350</td> </tr> <tr> <td>Heating Zone</td> <td>6</td> </tr> <tr> <td>Mold Opening Stroke</td> <td>700 mm</td> </tr> <tr> <td>Tie Bar Distance</td> <td>765 x 765 mm 30"X30"</td> </tr> <tr> <td>Ejector Stroke</td> <td>200</td> </tr> </tbody> </table> <p><b>Assembly Details:</b></p> <table border="1" data-bbox="252 1865 887 2067"> <tbody> <tr> <td>Servo Motor Pump</td> </tr> <tr> <td>PLC Erico – 8" inch Screen</td> </tr> <tr> <td>06 Valve – Rex Roth</td> </tr> <tr> <td>Hydro Motor – Radial Piston</td> </tr> <tr> <td>Heater - Ceramic</td> </tr> <tr> <td>Lubrication – Automatic</td> </tr> </tbody> </table>	Particulars	Size in MM	Screw Diameter	80	Shot Weight (PS)	1100	Nozzle Stroke	350	Heating Zone	6	Mold Opening Stroke	700 mm	Tie Bar Distance	765 x 765 mm 30"X30"	Ejector Stroke	200	Servo Motor Pump	PLC Erico – 8" inch Screen	06 Valve – Rex Roth	Hydro Motor – Radial Piston	Heater - Ceramic	Lubrication – Automatic	1	53.50		
Particulars	Size in MM																										
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Lubrication – Automatic																											

	<b>Oil Tank – 600 LTR</b> <b>Motor – 50 HP</b>		
<b>Date of quotation and validity:</b> November 04, 2024 and valid for 90 days			
<b>Machinery-5, Quotation-2</b> <b>Servo Motor Fully Automatic Micro Process Control System Plastic Injection Molding Machine</b> <b>FERO Engineering located at</b> <b>Vavdi Industrial Area, Survey No. 46, Opp. Samrat Hydraulic,</b> <b>Near Patel Petro, Gondal Road, Rajkot, Gujarat – 360004</b>			
1.	<b>CPVC Horizontal Injection Molding Machine</b>  <b>Specifications:</b>  FHID-250T (750 Grams) Screw Size: 70 MM Tie Bar Distance: 630 x 630 MM Motor: 30 KW	1	38.00
<b>Machinery-6, Quotation-2</b>			
2.	<b>CPVC Horizontal Injection Molding Machine</b>  <b>Specifications:</b>  FHID-350T (1000 Grams) Screw Size: 90 MM Tie Bar Distance: 720 x 720 MM Motor: 22.5 + 22.5 KW Dual Motor	1	45.00
<b>Date of quotation:</b> November 09, 2024 valid until January 28, 2025			
<b>Machinery-7, Quotation-1</b> <b>Servo Motor Fully Automatic Micro Process Control System Plastic Injection Molding Machine</b> <b>Nanjing Jieya Extrusion Equipment Co. Ltd located at</b> <b>Zhetang Industry Zone, Lishui Dist.</b> <b>Nanjing, China – 211215</b>			
1.	<b>JY72/180 Two Stage Extruder</b>  <b>Process:</b> air cooling hot face pelletizing <b>Products:</b> rigid PVC <b>Output range:</b> 500 – 700 kgs/hr (depending on the process and formula)  <b>Date of quotation:</b> November 05, 2024 and its valid for 90 days	1	76,630* USD  (₹65.19 Lakh)
<i>*We have received the quotation in USD and have converted the value of USD into Indian Rupees considering closing RBI reference/ conversion rate as on December 19, 2024</i>			
<b>Machinery- 7, Quotation-2</b> <b>Servo Motor Fully Automatic Micro Process Control System Plastic Injection Molding Machine</b> <b>Jay Extrusion Machinery located at</b> <b>Plot No. 7, Survey No. 256/1/8,</b> <b>GIDC Pardi, Valsad, Gujarat 396125</b>			
1.	<b>Co- Rotating Intermeshing Twin Screw Extruder Model: JTE5048</b> <b>Throughput Capacity upto 200 kg/hr</b>	1	57.00
<b>TECHNICAL SPECIFICATIONS:</b>			

Screw Elements M o C	WR Grade Tool Alloy Steel AISI HSS (High Speed M-2, High Wear & Corrosion Resistance)
Screw Type	Segment Design
Main Screw Diameter	50.4 MM
Channel Depth	11 MM
Screw Volume ratio (DO-DI)	1.5
L/D Ratio	48
<b>Date of quotation and validity:</b> November 08, 2024 and validity of 90 days	

*Note: GST, Frieght or any other charges shall be paid apart from aforesaid cost, on actuals basis.*

**Note:**

- a) Quotation received from the various vendors mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would supply the Machinery at the same costs. If there is any increase in the costs, the additional costs shall be paid by our Company from its internal accruals see **“Risk Factor”– “Our Company is yet to place orders for the machineries. Any delay in placing orders or procurement of such machinery may delay the schedule of implementation and possibly increase the cost of commencing operations”** on page no 29 of this Draft Red Herring Prospectus.
- b) The machinery models and quantity to be purchased, installation of said machinery are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- c) The above stated vendors are not related to the Issuer/ its Promoter/ Promoter group/ Director / Shareholders and BRLM and said purchase of new machinery will be acquired at arms length price which was prevailing at the time of its procurement.
- d) If the Net Proceeds are not utilized (in full or in part) for the Objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.
- e) We are not acquiring any second-hand machinery.
- f) The quotations relied upon by us in arriving at the above estimated cost (*which is excluding applicable taxes*) are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machinery proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost could be escalated on account of freight expenses, installation charges, packaging & forwarding, exchange rate fluctuations, custom duty etc. Such cost escalation would be met out of our internal accruals.
- g) The said machineries will be acquired for manufacturing of existing products.

**2. Repayment of certain Borrowings**

As on September 30, 2024, our total outstanding amounted to ₹ 906.66 lakhs. Our Company proposes to utilize an estimated amount of ₹ 100.00 lakhs proceeds towards partial repayment or pre-payment of certain borrowings availed from the lenders by our Company. Our Company has entered into various financial arrangements from time to time, with banks, financial institutions and other parties.

The loan facilities availed by our Company include borrowing in the form of, inter alia, term loans and working capital facility from various lenders. For further details, see “*Financial Indebtedness*” on page no 235 of this Draft Red Herring Prospectus. Our Company proposes to utilize an estimated amount of ₹ 100.00 lakhs from the Net Proceeds towards partial repayment or pre-payment of certain borrowings, listed below, availed from the lenders 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.

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 or pre-paid from the Net Proceeds is mentioned below:

*(Amount in ₹ Lakh)*

Name of Lender	Nature of Borrowing*	Repayment Terms	Sanctioned Amount and purpose of borrowing	Rate of Interest	Tenure (Months)	No of Outstanding Instalments	Instalment (₹)	Outstanding as on September 30, 2024 (₹ In Lakh)	Amt proposed to be Repaid from IPO proceeds
IndusInd Bank Limited	Secured Loan	Repayment on Demand	Cash Credit- 995  Pre- Shipment credit (EPC/ PCFC- (100)  Post- Shipment credit (FBP/ FBD/PSFC - (100)  Letter of Credit- (200)  Buyer Credit- (300)  <b>Total Fund Based- 995</b>	Floating rate of CD-six months +0.89% 8.55% per annum	NA	NA	NA	872.02	100.00

**Note:** The details included in the above table have been certified by our Statutory Auditors pursuant to their certificate dated December 13, 2024

*\*Our Statutory Auditors by way of their certificate dated December 13, 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 respective banks.*

### 3. 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 ₹ 1,315

lakhs from the Net Proceeds of the Issue 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.

Details of Estimation of Working Capital requirement are as follows:

(₹ in Lakh)

Particulars	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	For 30 September, 2024 (Restated)	Fiscal 2025 (Projected)	Fiscal 2026 (Projected)
<b>Current Assets</b>						
Inventories	120.16	310.49	692.16	992.38	1,699.00	1,793.42
Trade Receivables	301.30	479.22	620.18	1,185.66	1,608.00	1,742.37
Cash and Bank Balance	6.49	12.08	101.37	111.88	268.85	191.80
Short term loan and advances	53.33	40.31	-	4.15	203.52	280.50
Other current assets	79.48	60.35	75.21	83.30	230.00	196.00
<b>Total (A)</b>	<b>560.75</b>	<b>902.44</b>	<b>1,488.91</b>	<b>2,377.37</b>	<b>4,009.37</b>	<b>4,204.09</b>
<b>Current Liabilities</b>						
Trade Payables	56.84	177.29	225.94	213.95	85.00	100.00
Other Current Liabilities	38.02	18.44	30.53	7.87	3.71	9.00
Short Term Provision	5.38	25.52	165.65	239.38	197.30	269.79
<b>Total (B)</b>	<b>100.24</b>	<b>221.25</b>	<b>422.12</b>	<b>461.20</b>	<b>286.01</b>	<b>378.79</b>
<b>Total Working Capital (A)-(B)</b>	<b>460.51</b>	<b>681.19</b>	<b>1,066.79</b>	<b>1,916.17</b>	<b>3,723.36</b>	<b>3,825.30</b>
<b>Funding Pattern</b>						
<i>I) Borrowings for meeting working capital requirements</i>	217.86	372.65	231.65	886.84	786.84	140.35
<i>II) Networth / Internal Accruals</i>	242.66	308.54	835.14	1,029.33	1,421.52	3,684.95
<i>III) Proceeds from IPO</i>	-	-	-	-	1,515.00	-

**Note:** The estimated working capital requirement is duly certified by K M & Chauhan & Associates, Chartered Accountants vide certificate dated December 19, 2024.

**Key assumptions for working capital projections made by our Company:**

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for the period ended September 30, 2024 and & financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, as well as projections for financial year ending March 31, 2025 and March 31, 2026.

Particulars	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Fiscal 2024 (Restated)	Fiscal 2025 (Projected)	Fiscal 2026 (Projected)
Inventories	16	19	35	67	70
Trade Receivable	41	34	38	63	67



Short Term Loans and Advances & Other Current Assets	18	10	6	14	18
Trade Payable	8	11	17	11	4

**Justification:**

Particulars	Assumption made and Justification
<b>Current Assets</b>	
<b>Inventories</b>	The company is currently considering extending the inventory holding period to accommodate the anticipated increase in product demand and to expand the distribution network. To support our plans to invest in machinery to increase production capacity, we will need to further invest in inventory to meet production requirements and reduce downtime. This strategic decision aligns with the company's growth and expansion plans, requiring an increase in the inventory holding period from 35 days to 67 days for the financial year 2025 and further to 70 days for the financial year 2026 to facilitate the projected rise in sales.
<b>Trade Receivable</b>	The establishment of trade receivables is based on the average standard payment terms provided to our diverse customer base. These credit terms vary depending on the geographical location and customer type, with our assumptions rooted in historical patterns. Anticipating a significant increase in revenue in the financial year 2024-25, it is also anticipated that our payment terms to customers will be relaxed as we venture into new markets. We are projecting this pay-back period to be approximately 63 days in the financial year 2025 and 67 days in the financial year 2026, respectively.
<b>Short term loan and advances &amp; Other current assets</b>	Indeed, short-term loans and advances, as well as other current assets, encompass a variety of financial instruments, including advances extended to vendors, balances with revenue authorities, and prepaid expenses. Currently, our average holding period for other current assets ranges from 18 days to 6 days. To enhance our inventory holding period to accommodate the anticipated increase in product demand, we are providing advances to vendors of raw materials resulting to increase in holding period of 14 days for the financial year 2025, followed by 18 days for the financial year 2026.
<b>Current Liabilities</b>	
<b>Trade Payable</b>	The trade payables of our company are determined based on the average standard payment terms offered by our vendors, primarily for the procurement of goods. The operating trade payables stood at 8 days, 11 days, and 17 days for the Financial Year 2022, 2023 and 2024 respectively. Looking ahead to the Financial Year 2025, we have projected an average operating trade payables payment period of 11 days for cost of goods sold, with the aim of leveraging additional discounted rates and ensuring the availability of stock. This strategic approach is expected to help us stabilize our purchasing rates with vendors. Furthermore, we are aiming to reduce the payback period to 4 days for the Financial Year 2026, in anticipation of securing further discounts to enhance our operating profit.
<b>Short Term Provisions</b>	Short-term provisions include the tax provision for the current financial year, which will be paid in the following financial year. As of the stub period ending 30th September 2024, the company has not yet paid the income tax for the previous year as it's due date for filling the Income Tax Return is 15 <sup>th</sup> November, 2024, which was settled in October, 2024. Therefore, the amount of ₹ 239.38 Lakhs comprises ₹ 165.65 Lakhs related to the tax expense of the prior financial year and ₹ 73.74 Lakhs for the current year's tax provision. In the financial years 2025 and 2026, the provisions will reflect the income tax provision for the respective current years.

<p><b>Borrowings for meeting working capital requirements (Cash Credit/ Over Draft facility from Bank)</b></p>	<p>In the Financial Year 2021-22, Short Term Borrowing of ₹ 217.86 out of which ₹ 195.81 Lakhs for Cash Credit/ Overdraft facility from Bank &amp; ₹ 22.05 Lakhs represent current maturity of long term loan.</p> <p>In the Financial Year 2022-23, the Company holds Cash Credit/ Overdraft Facility of ₹ 372.65 Lakhs from the Bank.</p> <p>In the Financial Year 2023-24, ₹ 231.65 Lakhs includes ₹ 219.55 for Cash Credit Facility/overdraft facility, while ₹ 12.09 Lakhs is current maturity of long term borrowings.</p> <p>As of the reporting date, 30th September 2024, the Company has utilized ₹ 872.01 Lakhs of Cash Credit/Overdraft facility and holds Current maturity of loans amount to ₹ 12.62 Lakhs as well as ₹ 2.21 Lakhs from short term unsecured loans. To optimize financial costs, the Company plans to reduce the utilisation to ₹ 786.84 Lakhs.</p> <p>While in Financial year 2025-26 company reduces the Cash Credit/ Overdraft Facility by ₹ 646.49 Lakhs from the proceeds of Cash Profit/Internal Accrual of the company, this strategy will ensure the Company maintains sufficient liquidity to meet future working capital requirements while minimizing interest expenses and preserving flexibility to draw on the Cash Credit/Overdraft Facility as needed.</p>
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### **Reason for increase in working capital requirements in FY23 as compared to FY22**

The working capital requirement has increased from ₹ 460.51 Lakhs in FY 2022 to ₹ 681.19 Lakhs in FY 2023 which is increased by 47.91%. This increase is attributed to several key factors. Firstly, the revenue from operations grew from ₹ 2,678.77 Lakhs in FY 2022 to ₹ 4,166.77 Lakhs in FY 2023, marking a 55.55% increase compared to the previous year. This significant growth necessitated a higher working capital to support the expanded operations, including an increase in material procurement and inventory holding. Secondly, the procurement of raw materials rose from ₹ 2,501.71 Lakhs in FY 2022 to ₹ 3,851.14 Lakhs in FY 2023, further contributing to the increased working capital requirements. Additionally, other operational expenses and finance costs also saw a rise compared to the previous reporting period, thereby contributing to the overall increase in the working capital requirement.

### **Reason for increase in working capital requirements in FY24 as compared to FY23**

The working capital registered a notable increase from ₹ 681.19 Lakhs in 2023 to ₹ 1,066.79 Lakhs in 2024. This substantial rise can be attributed to several key factors. Firstly, the total sales escalated from ₹ 4,166.77 Lakhs in 2023 to ₹ 5,226.23 Lakhs in 2024, necessitating a higher working capital to support the expanded operational scale, including increased material procurement and inventory maintenance. This surge in material costs directly contributes to the augmented working capital requirement. Due to increase in manufacturing from ₹ 65.07% in FY23 to 72.52% of total procurement resulting into increase in holding of inventory by ₹ 195.77 Lakhs.

### **Justification of increase in working capital requirement:**

In the fiscal year 2025, it is anticipated that the working capital will experience an increase as a result of the projected upsurge in total sales. The amplified sales volumes necessitate augmented working capital in order to effectively manage expanded inventories, finance increased account receivables, and provide the necessary support for the extended operations. Moreover, the projected escalation in inventory turnover is expected to lead to a rise in the cost of material consumed in 2025, reflecting the heightened inventory requirements required to meet the amplified sales demand. These identified factors, in combination with other expenses such as employee benefits and finance costs, collectively contribute to the heightened working capital requisite in 2025.

Our firm intends to engage in negotiations with vendors aimed at securing more favourable rates through the mechanism of paying them in advance or ahead of schedule. While this strategic approach may yield improved terms and discounts, it entails a correspondingly increased working capital to accommodate the prepayments and advance payments to vendors. Furthermore, the intention to acquire new high-capacity machinery from the proceeds of an IPO is expected to raise our production capacity, necessitating a subsequent increase in inventory to support the augmented production capacity. Additionally, a concurrent need arises to maintain greater finished goods, as part of our plans to

explore new markets outside Gujarat. Moreover, the procurement of materials in bulk to leverage more favourable credit terms demands additional working capital to finance larger inventory purchases.

Our firm is significantly dependent on bank limits for procuring materials from vendors, underscoring the critical nature of maintaining adequate working capital. Future reliance is expected to shift away from bank limits post the IPO proceeds.

In summary, these factors collectively justify a larger investment in working capital to support and enhance the company's growth trajectory.

#### 4. 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 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 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	(₹ in Lakhs)	As a % of Estimate 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 excluding 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)
Portial 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)
Portial 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)
Portial 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: ₹[●]/- 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)
Portial 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: ₹ [●] 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:

Sr. No.	Particulars	Amount (₹ In Lakhs)	Amount to be deployed and utilized in
			F.Y. 2024-25
1.	Capital Expenditure in requirements for the purchase of Machinery	Upto 560.00	Upto 560.00
2.	Repayment of certain borrowings	Upto 100.00	Upto 100.00
3.	To meet out the Working Capital Requirements	Upto 1,515.00	Upto 1,515.00
4.	General Corporate Purposes	[●]	[●]
<b>Total</b>		[●]	[●]

To the extent our Company is unable to utilize any portion of the Net Proceeds in 2024-25 towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Year i.e. 2025-26 towards the Objects.

### **Appraisal**

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

### **Shortfall of Funds**

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

### **Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

## **Monitoring of 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 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 Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 and in pursuant to the applicable provisions of the Companies Act, 2013 and rule made thereunder.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other 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 Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

## **Other confirmations / payment to Promoters and Promoter's Group from the IPO Proceeds**

There is no proposal whereby any portion of the Net Proceeds will be paid to Our Promoters, Promoter Group, Directors and Key Managerial Personnel, Group Companies, except in the ordinary course of business. Further, there are no existing or anticipated transactions in relation to the utilization of the Net Proceeds entered into or to be entered into by our Company with Our Promoters, Promoter Group, Directors Group Companies, and/or Key Managerial Personnel.

## 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 Statements**” beginning on page no. 29, 140 and 205 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.

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

### Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry and the following are our primary competitive strength:

1. Diversified Product Portfolio Offering offered
2. Strong Client base
3. Experience of our Promoter and core management team
4. Quality Assurance
5. Cost competitiveness and time bound delivery

For further details, please refer to sections titled “**Risk Factors**” and “**Our Business**” beginning on page no 29 and 140 of this Draft Red Herring Prospectus.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, please refer “**Financial Information as Restated**” on page no 205 of this Draft Red Herring Prospectus. Investors should evaluate our Company and form their decision considering its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue Price is mentioned herein below.

For further details, please refer **Our Business – Our Strengths**” on page no 140 of this Draft Red Herring Prospectus.

#### 1. Basic and Diluted Earnings Per Share (‘EPS’), as adjusted for changes in capital:

As derived from the Restated Financial Information:

Financial Year	Basic EPS/(in ₹)	Diluted EPS (in ₹)	Weights
As on September 30, 2024	4.00	4.00	N.A.
As on March 31, 2024	2.79	2.79	N.A.
As on February 17, 2024	N.A.	N.A.	N.A.
Weighted Average		N.A.	

Notes:

1. The ratios have been computed as under:

- **Basic and diluted EPS:** profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding during the period. Basic and diluted EPS are computed in accordance with Accounting Standard 20 – “Earnings per share” issued by the Institute of Chartered Accountants of India.
- **Weighted average =** Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.



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

Particulars	P/E at the lower end of the price band (no. of times)	P/E at the higher end of the price band (no. of times)
P/E Ratio based on the Basic & Diluted EPS of ₹2.79 /- for the period ending March 31, 2024	[•]	[•]
P/E Ratio based on the Basic & Diluted EPS of ₹4.00/- for the period ending September 30, 2024	[•]	[•]
P/E ratio based on the Weighted Average Basic EPS – N.A.*	[•]	[•]

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

Period	RoNW (%)	Weights
As on September 30, 2024	20.17	N.A.
As on March 31, 2024	17.65	N.A.
As on February 17, 2024	97.90	N.A.
<b>Weighted Average</b>	N.A.	

**Note:**

The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period.

$$\text{Return on net worth (\%)} = \frac{\text{Net profit after tax as restated, attributable to the owners of the company}}{\text{Net worth as restated, including share capital and reserves and surplus, as stated at the end of the year}}$$

$$\text{Net worth} = \text{Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).}$$

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

Period	NAV Per Share (In ₹)
As on September 30, 2024	19.83
As on March 31, 2024	15.83
As on February 17, 2024	N.A.
<b>NAV Post Issue:</b>	
NAV Post Issue- at Cap Price of ₹[•]	[•]
NAV after issue- at Floor Price of ₹[•]	[•]
Issue Price per share	[•]

**Note:**

1. The ratio has been computed as under:

$$\text{Net Asset Value per equity share} = \frac{\text{Net worth as restated, including share capital and reserves and surplus, as restated at the end of the year}}{\text{No. of equity shares outstanding at the end of the year}}$$

Basic earnings per share (₹)

$$\frac{\text{Net profit after tax as restated for calculating basic EPS}}{\text{Weighted average number of equity shares outstanding at the end of the period or year}}$$

## 5. Comparison of Accounting Ratios with Industry Peers:

Name of Company	Face value (₹)	Current Market Price (₹)**	EPS (₹)	P/E ratio***	RoNW (%)	NAV per equity share	Revenue from operations (₹ In Lakhs)
Renol Polychem Limited	10	[●]	4.00	[●]	20.17	19.83	2,885.87
<b>Peer Group*</b>							
G M Polyplast Limited	10	143.05	2.69	53.18	10.24	23.59	4,286.20
Deep Polymers Limited	10	69.00	1.41	48.94	3.96	34.08	5,263.25

- I. \* Sourced from Annual Reports, Un-Audited financials for the period ended September 30, 2024.
- II. \*\* Current Market Price is taken as closing on December 19, 2024.
- III. \*\*\* We have calculated P/E Ratio by dividing the Current Market Price prevailing as on December 19, 2024 and EPS as on September 30, 2024.

## 6. The Issue Floor Price ₹[●]/- which is [●] times the face value of Equity Shares and the Issue Cap Price is ₹[●]/- which is [●] times the face value of Equity Shares.

The price band/floor price/issue price will be determined by the issuer in consultation with the BRLM, on the basis of book-building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with “**Risk Factors**”, “**Our Business**” and “**Financial Information as Restated**” on page no 29, 140 and 205 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “**Risk Factors**” and you may lose all or part of your investments.

## 6. Key Financial and Operational Performance Indicators (“KPIs”)

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 19, 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 M/s K M Chauhan & Associates, Chartered Accountants, by their certificate dated December 13, 2024 having UDIN: 24154536BKBNMM4622.

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 utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later. Any change in these KPIs, during the aforementioned period, will be disclosed by the Company. Upto that, the ongoing KPIs shall continue to be certified as certified by M/s K M Chauhan & Associates, Chartered Accountants, by their certificate dated December 13, 2024 having UDIN: 24154536BKBNMM4622.

## Key Financial Performance Indicators of our Company:

(₹ In Lakh)

Particulars	As on September 30, 2024	As on March 31, 2024	As on February 17, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations <sup>(1)</sup>	2,885.87	644.93	4,581.30	4,166.77	2,678.77
Revenue CAGR (%) from FY 2022-2024	24.95%				
EBITDA <sup>(2)</sup>	318.32	225.28	391.25	132.52	40.80
EBITDA (%) Margin <sup>(3)</sup>	11.03%	34.93%	8.54%	3.18%	1.53%
EBITDA CAGR (%) from FY 2022-2024	147.43%				
EBIT <sup>(4)</sup>	311.96	228.01	391.74	134.36	37.22
ROCE (%) <sup>(5)</sup>	30.75%	37.42%	104.33%	32.17%	9.14%
Current ratio <sup>(6)</sup>	1.76	2.28	1.03	4.08	5.59
Operating cash flow <sup>(7)</sup>	(588.57)	120.20	41.92	(111.04)	22.28
PAT <sup>(8)</sup>	219.61	153.39	241.06	72.81	15.75
PAT Margin <sup>(9)</sup>	7.61%	23.78%	5.26%	1.75%	0.59%
Net Worth <sup>(10)</sup>	1088.90	869.30	246.24	270.63	188.09
ROE/ RONW <sup>(11)</sup>	22.43%	27.50%	93.28%	31.74%	11.22%
EPS <sup>(12)</sup>	4.00	2.79	NA	NA	NA

### Notes:

- (1) Revenue from operations is the revenue generated from operations by our Company.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (4) EBIT is Earnings before Interest Cost and taxes.
- (5) ROCE: Return on Capital Employed is calculated as EBIT divided by average capital employed, which is defined as shareholders' equity plus long-term debt plus current maturities.
- (6) Current Ratio: Current Asset over Current Liabilities
- (7) Operating Cash Flow: Net cash inflow from operating activities
- (8) PAT is mentioned as profit after tax for the period.
- (9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- (11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders' equity
- (12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

KPI	Explanation
Revenue from operation	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.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis.
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
EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short-term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders

PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
ROC/RONW	ROC/RONW (%) is an indicator which shows how much company is generating from its available shareholders' funds
EPS	Earning per shares is the company's earnings available of one share of the Company for the period

### Key Performance Indicator of our Company- Non-GAAP Measures

Particulars	As on September 30, 2024	As on March 31, 2024	As on February 17, 2024	As on March 31, 2023	As on March 31, 2022
Adjusted EBITDA	318.32	225.28	391.25	132.52	40.80
Current Ratio	1.76	2.28	1.03	1.52	1.76

### Set forth below are some of our Key Operational Performance Indicator:

Metric (₹ In Lakh)	As on September 30, 2024	As on March 31, 2024	As on February 17, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from Operations	2,885.87	644.93	4,581.30	4,166.77	2,678.77

### Justification for Basis for Issue Price

#### The price per share of the Company based on the primary/ new issue of shares.

The details of the Equity Shares excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this certificate where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction), in a single transaction or multiple transactions combined together over a span of rolling 30 days; and

Date of Acquisition	No. of Share Acquired	Nature of Consideration	Price of Acquisition	Consideration paid (in Rs.)
09-01-2024	5,00,000	Subscription to Memorandum of Association	10	50,00,000
21-02-2024	1,72,224	Preferential-conversion of loan	125	2,15,28,000
05-03-2024	2,27,776	Right Issue	125	2,84,72,000
08-03-2024	45,90,000	Bonus Issue	0	-
<b>Total</b>	<b>54,90,000</b>			<b>5,50,00,000</b>
<b>Weighted average number of shares</b>	43,91,996			
<b>Weighted average cost of Acquisition*</b>	12.52			

\*Weighted average cost of acquisition has been computed considering acquisition made as on September 30, 2024.

#### The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholders, 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), during the 18 months preceding the

date of this Prospectus, 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-Offer 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.

**Weighted average cost of acquisition, floor price and cap price:**

Type of Transaction	Weighted average cost of acquisition (₹ per Equity Shares)	Weighted average cost of acquisition after Bonus Shares adjustment (₹ per Equity Shares)	Floor Price is ₹[●]/-	Cap Price is ₹[●]/-
Weighted average cost of acquisition of primary issuances	12.52	12.52	[●]	[●]
Weighted average cost of acquisition for secondary transactions	NA	NA	[●]	[●]

**Justification for Basis for Issue Price**

**Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out above) along with our Company’s key performance indicators and the Fiscals 2024 and 2023.**

[●]\*

\*To be included upon finalization of Price Band

**Explanation for Issue Price/Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out [●]) in view of the external factors which may have influenced the pricing of the Issue.**

[●]\*

\*To be included upon finalization of Price Band

## STATEMENT OF POSSIBLE TAX BENEFITS

To,

**The Board of Directors,  
Renol Polychem Limited**

307 Sanskar Heights NR Radhe Circle,  
150 FT Ring Rd, Mavdi, Rajkot,  
Rajkot, Gujarat, India, 360004

Dear Sir,

**Sub: Statement of Possible Special Tax Benefits available to Renol Polychem Limited (“Company”) and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR”) and the Companies Act, 2013, as amended (the “Act”).**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 presently in force in India (together referred to as the “**Direct Tax Laws**”), the Goods and Service Tax laws & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and/or the Company’s shareholders fulfilling the conditions prescribed under relevant Direct Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. The Company does not have any subsidiary as on date of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus and the Red Herring Prospectus and the Prospectus in connection with the proposed Initial Public Offering by the Company.

Yours faithfully,  
For **K M CHAUHAN & ASSOCIATES**  
Chartered Accountants  
FRN **125924W**

Sd/-  
**Name:** Bhavdipbhai Pravinbhai Poriya  
**Designation:** Partner  
**Membership No:** 154536

**Date:** December 13, 2024  
**Place:** Rajkot  
**UDIN:** 24154536BKBNMO3529

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**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS**

Outlined below are the possible special tax benefits available to Renol polychem Limited (“**Company**”) and to its Shareholders under the Direct and Indirect Tax Laws in force in India.

**A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

1. Direct Tax

There are no special direct tax benefits available to the Company.

2. Indirect Tax

There are no special indirect tax benefits available to the Company.

**B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

1. Direct Tax

There are no special direct tax benefits available to the Shareholders of the Company.

2. Indirect Tax

There are no special indirect tax benefits available to the Shareholders of the Company.

## SECTION VIII - ABOUT THE COMPANY INDUSTRY OVERVIEW

*The information in this chapter includes extracts from publicly available information, data, statistics and has been derived from various government publications and industry sources. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.*

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. The actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

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 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 no. 140 and 205 respectively of this Draft Red Herring Prospectus. An investment in 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 no. 29 of this Draft Red Herring Prospectus.

### 1. Economic Outlook

#### 1.1. Global Economy

Global growth is expected to remain stable yet underwhelming. However, notable revisions have taken place beneath the surface since April 2024, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies, in particular, the largest European countries. Likewise, in emerging market and developing economies, disruptions to production and shipping of commodities—especially oil—conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa. These have been compensated for by upgrades to the forecast for emerging Asia, where surging demand for semiconductors and electronics, driven by significant investments in artificial intelligence, has bolstered growth, a trend supported by substantial public investment in China and India. Five years from now, global growth should reach 3.1 percent—a mediocre performance compared with the prepandemic average.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, October 2024



Notes: P-Projection; Source: IMF – World Economic Outlook, October 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)					Real GDP (Y-o-Y change in %)				
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.77	9.69	6.987	8.153	7.021	6.461	6.47	6.48	6.489	6.498
China	2.24	8.449	2.95	5.25	4.82	4.484	4.101	3.576	3.365	3.293
Indonesia	-2.06	3.70	5.307	5.04	4.95	5.071	5.058	5.066	5.059	5.066
Saudi Arabia	-3.582	5.07	7.48	-0.755	1.527	4.571	4.357	3.574	3.471	3.5
Brazil	-3.277	3.017	3.017	2.90	3.04	2.162	2.254	2.351	2.45	2.473
United States	-2.163	2.512	2.512	2.887	2.765	2.153	2.028	2.12	2.122	2.122

P- Projections; Source: IMF- World Economic Outlook Database (October 2024)

**Advanced Economies Group**

Following a reopening rebound in 2022, growth in advanced economies markedly slowed in 2023 and is projected to remain steady, oscillating between 1.7 and 1.8 percent until 2029. This apparent stability conceals differing country dynamics as various cyclical forces unwind and economic activity gets back in line with potential. In the United States,

growth is expected to decelerate, with output reaching potential from above by 2029. In the United Kingdom and the euro area, on the other hand, activity is projected to accelerate, closing the output gap from below. In Japan, where the output gap is already closed, GDP is expected to grow in line with potential.

In the United States, projected growth for 2024 has been revised upward to 2.8 percent, which is 0.2 percentage point higher than the July forecast, on account of stronger outturns in consumption and nonresidential investment. The resilience of consumption is largely the result of robust increases in real wages (especially among lower-income households) and wealth effects. Growth is anticipated to slow to 2.2 percent in 2025 as fiscal policy is gradually tightened and a cooling labor market slows consumption. With GDP growth lower than potential, the output gap is expected to start closing in 2025.

In the euro area, growth seems to have reached its lowest point in 2023. A touch weaker than projected in April and July 2024, GDP growth is expected to pick up to a modest 0.8 percent in 2024 as a result of better export performance, in particular of goods. In 2025, growth is projected to rise further to 1.2 percent, helped by stronger domestic demand. Rising real wages are expected to boost consumption, and a gradual loosening of monetary policy is expected to support investment. Persistent weakness in manufacturing weighs on growth for countries such as Germany and Italy. However, whereas Italy's domestic demand is expected to benefit from the European Union–financed National Recovery and Resilience Plan, Germany is experiencing strain from fiscal consolidation and a sharp decline in real estate prices.

Offsetting dynamics are also at play among other advanced economies. Growth is expected to decelerate in Japan in 2024, with the slowdown reflecting temporary supply disruptions and fading of one-off factors that boosted activity in 2023, such as the surge in tourism. With respect to April, growth is revised downward, by 0.6 percentage point, to 0.3 percent for 2024, reflecting a temporary supply disruption in the car industry and the base effect of historical data revisions. An acceleration to 1.1 is predicted in 2025, with growth boosted by private consumption as real wage growth strengthens. In the United Kingdom, in contrast, growth is projected to have accelerated to 1.1 percent in 2024 and is expected to continue doing so to 1.5 percent in 2025 as falling inflation and interest rates stimulate domestic demand.

### **Emerging Market and Developing Economies Group**

In a manner similar to that for advanced economies, the growth outlook for emerging market and developing economies is remarkably stable for the next two years, hovering at about 4.2 percent and steady at 3.9 percent by 2029. And just as in advanced economies, offsetting dynamics are occurring between country groups. Compared with that in April, growth in emerging market and developing economies is revised upward by 0.1 percentage point for 2024, reflecting upgrades for Asia (China and India) that more than offset downgrades for sub-Saharan Africa and for the Middle East and Central Asia (Table 1.1).

- Emerging Asia's strong growth is expected to subside, from 5.7 percent in 2023 to 5.0 percent in 2025. This reflects a sustained slowdown in the region's two largest countries. In India, the outlook is for GDP growth to moderate from 8.2 percent in 2023 to 7 percent in 2024 and 6.5 percent in 2025, because pent-up demand accumulated during the pandemic has been exhausted, as the economy reconnects with its potential. In China, the slowdown is projected to be more gradual. Despite persisting weakness in the real estate sector and low consumer confidence, growth is projected to have slowed only marginally to 4.8 percent in 2024, largely thanks to better-than-expected net exports. Compared with that in April, the forecast has been revised upward by 0.2 percentage point in 2024 and 0.4 percentage point in 2025. Recent policy measures may provide upside risk to near-term growth.

- In contrast, growth in the Middle East and Central Asia is projected to pick up from an estimated 2.1 percent in 2023 to 3.9 percent in 2025, as the effect on the region of temporary disruptions to oil production and shipping are assumed to fade away. Compared with that in April, the projection has been revised downward by 0.4 percentage point for 2024, mainly the result of the extension of oil production cuts in Saudi Arabia and ongoing conflict in Sudan taking a large toll.

- In sub-Saharan Africa, GDP growth is similarly projected to increase, from an estimated 3.6 percent in 2023 to 4.2 percent in 2025, as the adverse impacts of prior weather shocks abate and supply constraints gradually ease. Compared with that in April, the regional forecast is revised downward by 0.2 percentage point for 2024 and upward by 0.1 percentage point for 2025. Besides the ongoing conflict that has led to a 26 percent contraction of the South Sudanese

economy, the revision reflects slower growth in Nigeria, amid weaker-than-expected activity in the first half of the year.

- In Latin America and the Caribbean, growth is projected to decline from 2.2 percent in 2023 to 2.1 percent in 2024 before rebounding to 2.5 percent in 2025. In Brazil, growth is projected at 3.0 percent in 2024 and 2.2 percent in 2025. This is an upward revision of 0.9 percentage point for 2024, compared with July 2024 World Economic Outlook Update projections, owing to stronger private consumption and investment in the first half of the year from a tight labor market, government transfers, and smaller-than-anticipated disruptions from floods. However, with the still-restrictive monetary policy and the expected cooling of the labor market, growth is expected to moderate in 2025.

In Mexico, growth is projected at 1.5 percent in 2024, reflecting weakening domestic demand on the back of monetary policy tightening, before slowing further to 1.3 percent in 2025 on a tighter fiscal stance. Overall, offsetting revisions leave the regional growth forecast broadly unchanged since April.

- Growth in emerging and developing Europe is projected to remain steady at 3.2 percent in 2024 but to ease significantly to 2.2 percent in 2025. The moderation reflects a sharp slowdown in Russia from 3.6 percent in 2023 to 1.3 percent in 2025 as private consumption and investment slow amid reduced tightness in the labor market and slower wage growth. In Türkiye, growth is expected to slow from 5.1 percent in 2023 to 2.7 percent in 2025, with the slowdown driven by the shift to monetary and fiscal policy tightening since mid-2023.

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**Table 1.1. Overview of the World Economic Outlook Projections***(Percent change, unless noted otherwise)*

	2023	Projections		Difference from July 2024 WEO Update <sup>1</sup>		Difference from April 2024 WEO <sup>1</sup>	
		2024	2025	2024	2025	2024	2025
<b>World Output</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
United States	2.9	2.8	2.2	0.2	0.3	0.1	0.3
Euro Area	0.4	0.8	1.2	-0.1	-0.3	0.0	-0.3
Germany	-0.3	0.0	0.8	-0.2	-0.5	-0.2	-0.5
France	1.1	1.1	1.1	0.2	-0.2	0.4	-0.3
Italy	0.7	0.7	0.8	0.0	-0.1	0.0	0.1
Spain	2.7	2.9	2.1	0.5	0.0	1.0	0.0
Japan	1.7	0.3	1.1	-0.4	0.1	-0.6	0.1
United Kingdom	0.3	1.1	1.5	0.4	0.0	0.6	0.0
Canada	1.2	1.3	2.4	0.0	0.0	0.1	0.1
Other Advanced Economies <sup>2</sup>	1.8	2.1	2.2	0.1	0.0	0.1	-0.2
<b>Emerging Market and Developing Economies</b>	<b>4.4</b>	<b>4.2</b>	<b>4.2</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.1</b>	<b>0.0</b>
Emerging and Developing Asia	5.7	5.3	5.0	-0.1	-0.1	0.1	0.1
China	5.2	4.8	4.5	-0.2	0.0	0.2	0.4
India <sup>3</sup>	8.2	7.0	6.5	0.0	0.0	0.2	0.0
Emerging and Developing Europe	3.3	3.2	2.2	0.0	-0.3	0.1	-0.6
Russia	3.6	3.6	1.3	0.4	-0.2	0.4	-0.5
Latin America and the Caribbean	2.2	2.1	2.5	0.3	-0.2	0.2	0.0
Brazil	2.9	3.0	2.2	0.9	-0.2	0.8	0.1
Mexico	3.2	1.5	1.3	-0.7	-0.3	-0.9	-0.1
Middle East and Central Asia	2.1	2.4	3.9	0.0	0.0	-0.4	-0.3
Saudi Arabia	-0.8	1.5	4.6	-0.2	-0.1	-1.1	-1.4
Sub-Saharan Africa	3.6	3.6	4.2	-0.1	0.1	-0.2	0.1
Nigeria	2.9	2.9	3.2	-0.2	0.2	-0.4	0.2
South Africa	0.7	1.1	1.5	0.2	0.3	0.2	0.3
<i>Memorandum</i>							
World Growth Based on Market Exchange Rates	2.8	2.7	2.8	0.0	0.0	0.0	0.1
European Union	0.6	1.1	1.6	-0.1	-0.2	0.0	-0.2
ASEAN-5 <sup>4</sup>	4.0	4.5	4.5	0.1	-0.1	0.1	0.0
Middle East and North Africa	1.9	2.1	4.0	-0.1	0.1	-0.6	-0.2
Emerging Market and Middle-Income Economies	4.4	4.2	4.2	-0.1	0.0	0.1	0.1
Low-Income Developing Countries	4.1	4.0	4.7	-0.2	-0.4	-0.5	-0.4
<b>World Trade Volume (goods and services)</b>	<b>0.8</b>	<b>3.1</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
Imports							
Advanced Economies	-0.7	2.1	2.4	-0.3	-0.3	0.1	-0.4
Emerging Market and Developing Economies	3.0	4.6	4.9	0.4	0.1	-0.3	0.8
Exports							
Advanced Economies	1.0	2.5	2.7	-0.1	-0.2	0.0	-0.2
Emerging Market and Developing Economies	0.6	4.6	4.6	0.4	0.5	0.9	0.7
<b>Commodity Prices (US dollars)</b>							
Oil <sup>5</sup>	-16.4	0.9	-10.4	0.1	-4.4	3.4	-4.1
Nonfuel (average based on world commodity import weights)	-5.7	2.9	-0.2	-2.1	-1.8	2.8	0.2
<b>World Consumer Prices<sup>6</sup></b>	<b>6.7</b>	<b>5.8</b>	<b>4.3</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.2</b>
Advanced Economies <sup>7</sup>	4.6	2.6	2.0	-0.1	-0.1	0.0	-0.1
Emerging Market and Developing Economies <sup>6</sup>	8.1	7.9	5.9	-0.1	0.0	-0.3	-0.2

Source: IMF staff estimates.

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 30, 2024–August 27, 2024. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.<sup>1</sup> Difference based on rounded figures for the current, July 2024 WEO *Update*, and April 2024 WEO forecasts. Global and regional growth figures are based on new purchasing-power-parity weights derived from the recently released 2021 International Comparison Program survey (see Box A2) and are not comparable to the figures reported in the July 2024 WEO *Update* or the April 2024 WEO.<sup>2</sup> Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.<sup>3</sup> For India, data and forecasts are presented on a fiscal year basis, and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year.<sup>4</sup> Indonesia, Malaysia, the Philippines, Singapore, and Thailand.<sup>5</sup> Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$80.59 in 2023; the assumed price, based on futures markets, is \$81.29 in 2024 and \$72.84 in 2025.<sup>6</sup> Excludes Venezuela. See the country-specific note for Venezuela in the "Country Notes" section of the Statistical Appendix.

Note: Source: IMF – World Economic Outlook, October 2024

**Table 1.2. Overview of the World Economic Outlook Projections at Market Exchange Rate Weights**  
(Percent change)

	2023	Projections		Difference from July 2024 WEO Update <sup>1</sup>		Difference from April 2024 WEO <sup>1</sup>	
		2024	2025	2024	2025	2024	2025
<b>World Output</b>	<b>2.8</b>	<b>2.7</b>	<b>2.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
<b>Advanced Economies</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Emerging Market and Developing Economies</b>	<b>4.3</b>	<b>4.0</b>	<b>4.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>
Emerging and Developing Asia	5.5	5.1	4.8	-0.1	-0.1	0.1	0.2
Emerging and Developing Europe	3.1	3.1	2.3	-0.1	-0.3	0.0	-0.5
Latin America and the Caribbean	2.2	1.9	2.4	0.2	-0.2	0.0	-0.1
Middle East and Central Asia	1.5	2.1	4.0	-0.1	0.0	-0.5	-0.3
Sub-Saharan Africa	3.4	3.4	4.1	-0.2	0.1	-0.2	0.1
<i>Memorandum</i>							
European Union	0.5	1.0	1.5	0.0	-0.1	0.1	-0.2
Middle East and North Africa	1.3	1.8	4.0	-0.3	0.0	-0.7	-0.3
Emerging Market and Middle-Income Economies	4.3	4.0	4.0	-0.1	-0.1	0.0	0.1
Low-Income Developing Countries	4.1	3.8	4.8	-0.3	-0.4	-0.6	-0.3

Source: IMF staff estimates.

Note: The aggregate growth rates are calculated as a weighted average, in which a moving average of nominal GDP in US dollars for the preceding three years is used as the weight. WEO = World Economic Outlook.

<sup>1</sup> Difference based on rounded figures for the current, July 2024 WEO Update, and April 2024 WEO forecasts.

Note: Source: IMF – World Economic Outlook, October 2024

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# World Economic Outlook Projections

(Real GDP growth, annual percent change)

	2023	2024	2025
<b>World Output</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>
United States	2.9	2.8	2.2
Euro Area	0.4	0.8	1.2
Germany	-0.3	0.0	0.8
France	1.1	1.1	1.1
Italy	0.7	0.7	0.8
Spain	2.7	2.9	2.1
Japan	1.7	0.3	1.1
United Kingdom	0.3	1.1	1.5
Canada	1.2	1.3	2.4
Other Advanced Economies	1.8	2.1	2.2
<b>Emerging Market and Developing Economies</b>	<b>4.4</b>	<b>4.2</b>	<b>4.2</b>
Emerging and Developing Asia	5.7	5.3	5.0
China	5.2	4.8	4.5
India	8.2	7.0	6.5
Emerging and Developing Europe	3.3	3.2	2.2
Russia	3.6	3.6	1.3
Latin America and the Caribbean	2.2	2.1	2.5
Brazil	2.9	3.0	2.2
Mexico	3.2	1.5	1.3
Middle East and Central Asia	2.1	2.4	3.9
Saudi Arabia	-0.8	1.5	4.6
Sub-Saharan Africa	3.6	3.6	4.2
Nigeria	2.9	2.9	3.2
South Africa	0.7	1.1	1.5
Emerging Market and Middle-Income Economies	4.4	4.2	4.2
Low-Income Developing Countries	4.1	4.0	4.7

◀ 1 / 8 ▶

Source: IMF, October 2024 World Economic Outlook.

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2023/24 (starting in April 2023) shown in the 2023 column. India's growth projections are 7.3 percent in 2024 and 6.5 percent in 2025 based on calendar year.



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## 1.2. Indian Economic Outlook

### 1.2.1. GDP Growth and Outlook

#### **Resilience to External Shocks remains Critical for Near-Term Outlook**

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. In Q1FY24, the economic growth accelerated to 8.2%. The manufacturing sector maintained an encouraging pace of growth, given the favorable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum remained in the range in the Q2FY24 with GDP growth at 8.1%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. The GDP growth number improved for Q3FY24 at 8.6%.

India's GDP at constant prices surged to Rs. 47.24 trillion in Q4FY24 from Rs. 43.84 trillion in Q4FY23, marking a 7.8% growth rate. This upswing was fueled by robust performances in construction, mining & quarrying, utility services, and manufacturing sectors and investment drove the GDP growth, while both private and government consumption remained subdued.

Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

#### **GDP Growth Outlook**

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.
- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand. Moreover, the services sector maintained buoyancy as could be observed by growth in high frequency indicators such as E-way bills, GST revenues, toll collections, aggregate, and a healthy growth in domestic air cargo and port cargo. The purchasing managers' index for both manufacturing and services continues to exhibit a sustained and healthy expansion.
- Domestic economic activity remains strong. On the supply side, the south-west monsoon is progressing well, with higher cumulative kharif sowing and improving reservoir levels, which bodes well for kharif output. The potential development of La Niña conditions in the latter half of the monsoon season could impact agricultural production in 2024-25. On the demand side, household consumption is bolstered by a recovery in rural demand and consistent discretionary spending in urban areas. Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private corporate investment is picking up, driven by an increase in bank credit. Merchandise exports grew in June, albeit at a slower rate, while the growth in non-oil-non-gold imports accelerated, indicating resilience of domestic demand. Services exports saw double-digit growth in May 2024 before slowing down in June 2024.
- Improved agricultural activity would improve rural consumption, while urban consumption would be supported by buoyancy in services activity. Additionally, improvement in global trade prospects are expected to support external demand.
- Persistent geopolitical tensions and volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its August 2024 monetary policy, has projected real GDP growth at 7.2% y-o-y for FY25.

**Table 2: RBI's GDP Growth Outlook (Y-o-Y %)**

FY25P (complete year)	Q1FY25P	Q2FY25P	Q3FY25P	Q4FY25P	Q1FY26P
7.2%	7.1%	7.2%	7.3%	7.2%	7.2%

Note: P-Projected; Source: Reserve Bank of India

### 1.2.2. Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

#### Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.
- The **agriculture sector** was holding growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas FY20 witnessed growth on account of improved production. During the pandemic-impacted period of FY21, the agriculture sector was largely insulated as timely and proactive exemptions from COVID-induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

In FY23, the agriculture sector performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering ₹ 22.3 trillion.

In Q1FY24, this sector expanded at a slower pace of 3.7% y-o-y growth compared to y-o-y growth a quarter ago. This further stumbled to 1.7% in Q2FY24. Further, it experienced y-o-y growth of 0.4% in Q3 and 0.6% in Q4, leading to expectations of a modest 1.4% rise for the full year, contrasting sharply with the 4.7% growth recorded in FY23. In the Budget 2024-25, the government plans to boost private and public investment in post-harvest activities and expand the application of Nano-DAP across agro-climatic zones. Strategies for self-reliance in oilseeds and dairy development are to be formulated, alongside ramping up the Pradhan Mantri Matsya Sampada Yojana and establishing Integrated Aquaparks. Allocation for PM-Formalisation of Micro Food Processing Enterprises scheme has increased from Rs. 639 in FY24 to Rs. 880 crores in FY25.

Going forward, rising bank credit to the sector and increased exports will be the drivers for the agriculture sector. However, a deficient rainfall may have impact on the reservoir level, weighing on prospects of Kharif sowing. Considering these factors, the agriculture sector is estimated to attain Rs. 23.7 trillion and mark 1.4% y-o-y growth for complete FY24.

- From March 2020 onwards, the nationwide lockdown due to the pandemic significantly impacted the **industrial sector**. In FY20 and FY21, this sector felt turbulence due to the pandemic and recorded a decline of 1.4% and 0.9%, respectively, on a y-o-y basis. With the opening up of the economy and resumption of industrial activities, it registered 11.6% y-o-y growth in FY22, albeit on a lower base.

The industrial output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities.

The industrial sector grew by 6.0% in Q1FY24, while Q2FY24 growth was up by 13.6% owing to positive business optimism and strong growth in new orders supported manufacturing output. The industrial growth was mainly supported by sustained momentum in the manufacturing and construction sectors. Within manufacturing, industries such as pharma, motor vehicles, metals, petroleum and pharma witnessed higher production growth during the quarter.

The construction sector (13.6% growth in Q2FY24) benefited from poor rainfall during August and September and higher implementation of infrastructure projects. This was reflected in robust cement and steel production and power demand in Q2FY24. Overall, H1FY24 picked up by 9.3% with manufacturing and construction activities witnessing significant acceleration. In Q3FY24, growth rate slowed down to 10.5%. It further fell down to 8.4% in Q4FY24.

India's industrial sector is experiencing strong growth, driven by significant expansion in manufacturing, mining, and construction. This growth is supported by positive business sentiment, declining commodity prices, beneficial government policies like production-linked incentive schemes, and efforts to boost infrastructure development. These factors collectively contribute to the sustained buoyancy in industrial growth due to which the industrial growth is estimated at 9.5% on y-o-y basis registering the value of Rs. 48.9 trillion in FY24.

• The **Services sector** was the hardest hit by the pandemic and registered an 8.2% y-o-y decline in FY21. The easing of restrictions aided a fast rebound in this sector, with 8.8% y-o-y growth witnessed in FY22.

Overall, in FY23, benefitting from the pent-up demand, the service sector was valued at ₹80.6 trillion and registered growth of 10.0% y-o-y.

In Q1FY24, the services sector growth jumped to 10.7%. Within services, there was a broad-based improvement in growth across different sub-sectors. However, the sharpest jump was seen in financial, real estate, and professional services. Trade, hotels, and transport sub-sectors expanded at a healthy pace gaining from strength in discretionary demand. The service sector growth in Q2FY24 moderated to 6.0% partly due to the normalization of base effect and some possible dilution in discretionary demand. Considering these factors, service sector marked 8.3% growth in H1FY24. In Q3FY24 growth increased to 7.1% compared to 7.2% last year in the same quarter. In Q4FY24, growth declined to 6.7% compared to 7.2% last year in the same quarter.

With this performance, steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit are expected to support the services sector. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall.

**Table 3: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices**

<b>At constant Prices</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23 (FRE)</b>	<b>FY24 (PE)</b>
<b>Agriculture, Forestry &amp; Fishing</b>	<b>2.1</b>	<b>6.2</b>	<b>4.1</b>	<b>3.5</b>	<b>4.7</b>	<b>1.4</b>
<b>Industry</b>	<b>5.3</b>	<b>-1.4</b>	<b>-0.9</b>	<b>11.6</b>	<b>2.1</b>	<b>9.5</b>
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	1.9	7.1
Manufacturing	5.4	-3.0	2.9	11.1	-2.2	9.9
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.4	7.5
Construction	6.5	1.6	-5.7	14.8	9.4	9.9
<b>Services</b>	<b>7.2</b>	<b>6.4</b>	<b>-8.2</b>	<b>8.8</b>	<b>10.0</b>	<b>7.6</b>
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	12.0	6.4
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	9.1	8.4
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.9	7.8
<b>GVA at Basic Price</b>	<b>5.8</b>	<b>3.9</b>	<b>-4.2</b>	<b>8.8</b>	<b>6.7</b>	<b>7.2</b>

Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

### 1.2.3. Consumer Price Index

India's consumer price index (CPI), which tracks retail price inflation, stood at an average of 5.5% in FY22 which was within RBI's targeted tolerance band of 6%. However, consumer inflation started to upswing from October 2021 onwards and reached a tolerance level of 6% in January 2022. Following this, CPI reached 6.9% in March 2022.

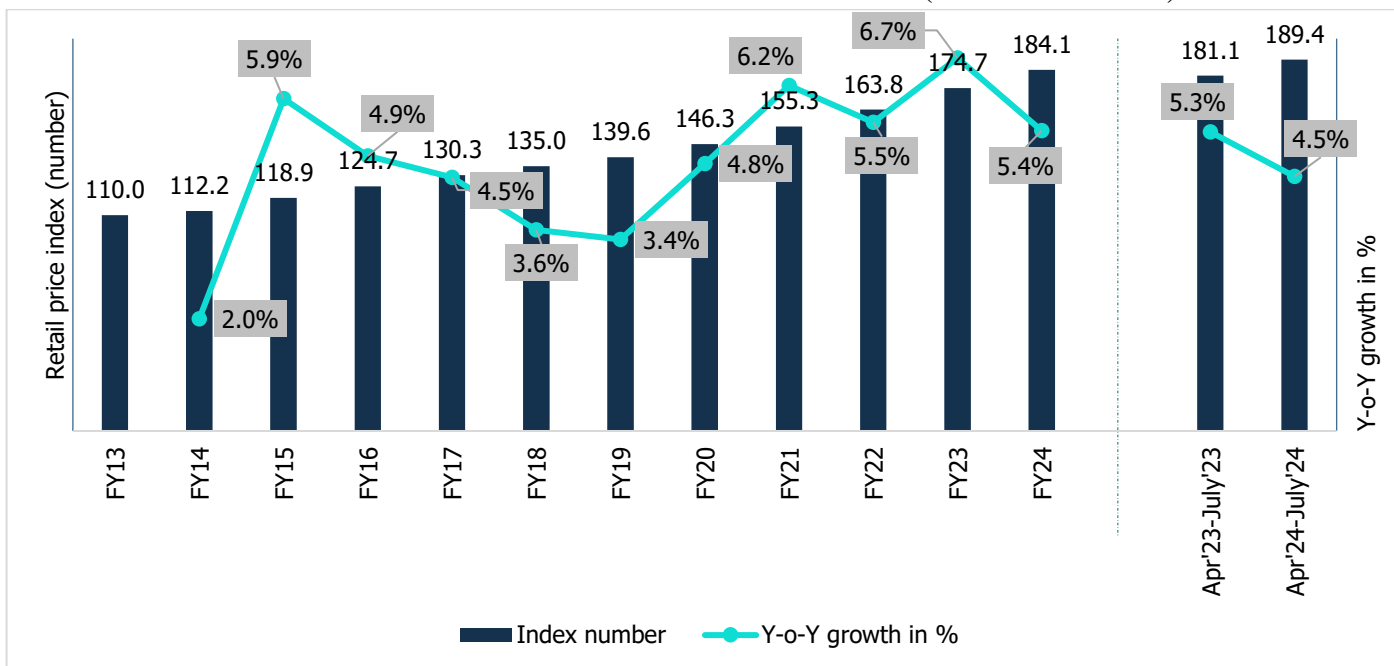
CPI remained elevated at an average of 6.7% in FY23, above the RBI's tolerance level. However, there was some respite toward the end of the fiscal wherein the retail inflation stood at 5.7% in March 2023, tracing back to the RBI's tolerance band. Apart from a favorable base effect, the relief in retail inflation came from a moderation in food inflation.

In FY24, the CPI moderated for two consecutive months to 4.7% in April 2023 and 4.3% in May 2023. This trend snapped in June 2023 with CPI rising to 4.9%. In July 2023, the CPI had reached its highest point at 7.4%, this was largely due to increase in food prices. The notable surge in vegetable prices and in other food categories such as cereals, pulses, spices, and milk have driven this increase. In August 2023, the food inflation witnessed some moderation owing to government's active intervention. This was further moderated for second consecutive month in September 2023 to 5%, led by a sharp correction in vegetables prices and lower LPG prices. Helped by deflation in the fuel and light category, the retail inflation in October 2023 softened at 4.9%. This trend reversed in November 2023 due to spike in certain vegetable prices as well as sticky inflation in non-perishable food items such as cereals, pulses and spices and the CPI rose to 5.6%. In the month of December 2023, elevated food prices and an unfavourable base drove headline inflation to a four-month peak of 5.7%. However in the month of January and February, food prices softened and the inflation was reported at 5.1% for both the months. March witnessed further softening of prices registering 4.9% growth. For FY24 inflation moderated to 5.4% which are within the boundaries set of 2% to 6% by the RBI.

High inflation in specific food items poses inflation risk, even though an improvement in south-west monsoon and progress in sowing are improving the food inflation outlook. This makes it crucial to monitor monsoon distribution. Additionally, global food prices also show some softening in July, post increases in March 2024. While government initiatives are expected to mitigate upward price pressure, external risks from geopolitical tensions may affect supply chains and commodity prices. The numbers for April 2024-July 2024 show a decline in inflation growth y-o-y to 4.5% as compared to inflation growth y-o-y of 5.3% in April 2023-July 2023 period. For July 2024, CPI inflation stood at 3.5% which has been the lowest retail inflation in the last 5 years. There was a decline in inflation among all groups with significant decline in vegetables, spices, and fruits subgroup. Additionally, food inflation was also at the lowest in this month since June 2023.

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**Chart 2: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)**

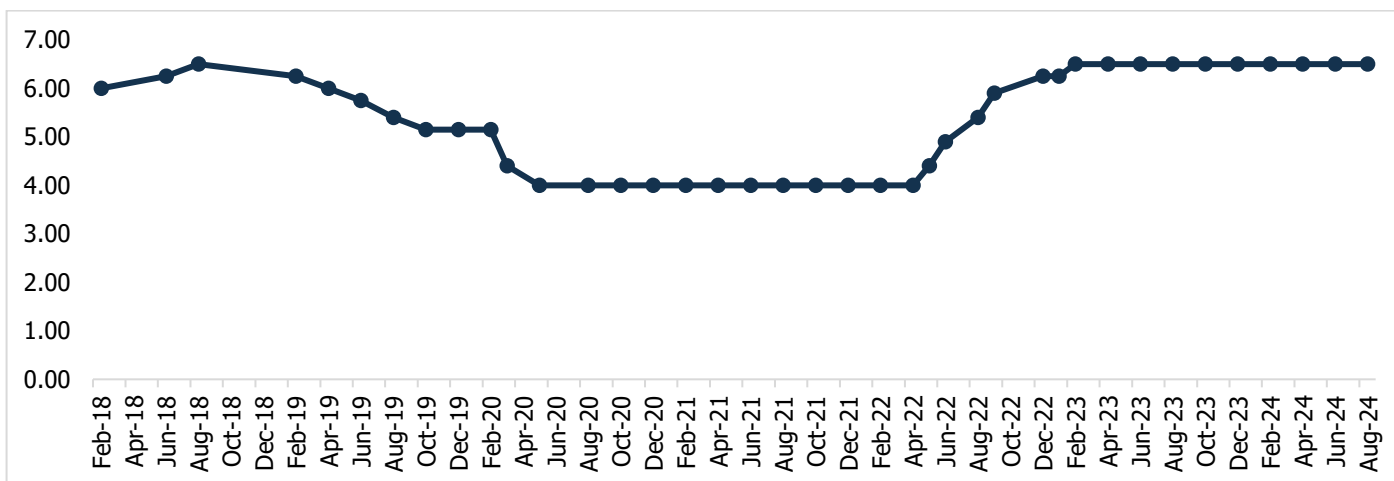


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetary policy. At the bi-monthly meeting held in August 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q2FY25 at 4.4%, Q3FY25 at 4.7%, Q4FY25 at 4.3%, and Q1FY26 at 4.4%.

Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% again in the August 2024 meeting of the Monetary Policy Committee.

**Chart 3: RBI historical Repo Rate**



Source: RBI

In a meeting held in August 2024, RBI also maintained the liquidity adjustment facility (LAF) corridor by adjusting the standing deposit facility (SDF) rate of 6.25% as the floor and the marginal standing facility (MSF) at the upper end of the band at 6.75%.

Further, the central bank continued to remain focused on the withdrawal of its accommodative stance. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food prices due to adverse weather conditions pose a risk to the path of disinflation. Given the uncertainties in food prices that might derail the path to bring down inflation, the Central Bank has decided to be vigilant and maintain an active disinflationary stance to ensure complete transmission of past rate

cuts and anchoring of inflation expectations until a better alignment of the headline CPI inflation with the target is achieved, while supporting growth.

### 1.2.4. Industrial Growth

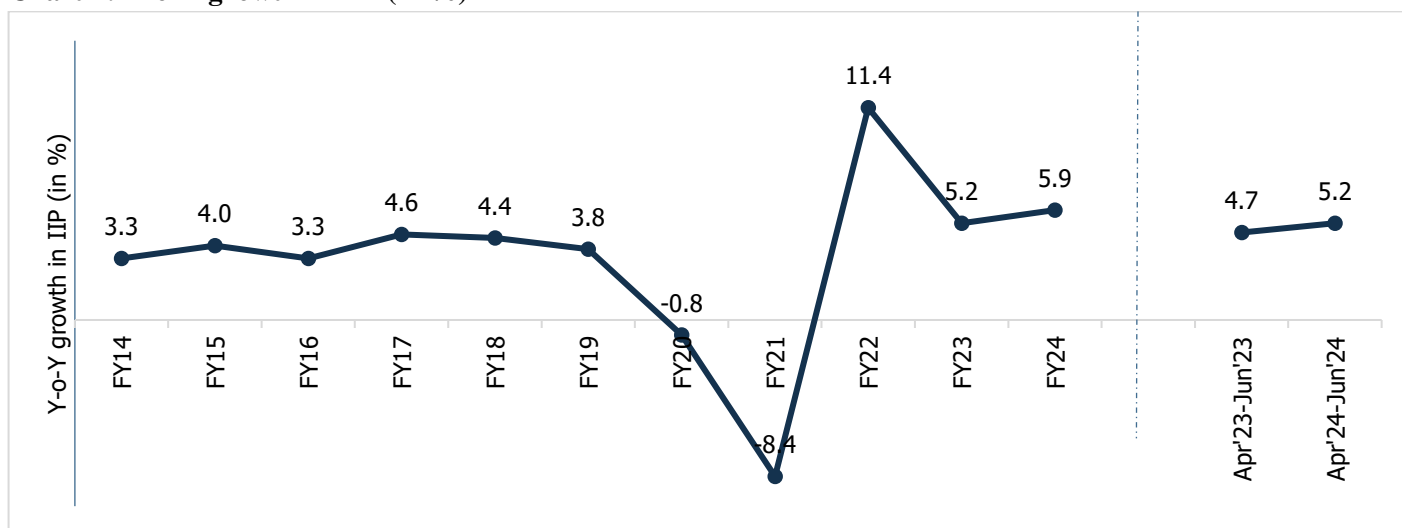
#### Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. On a cumulative basis, IIP grew by 11.4% y-o-y in FY22 post declining by 0.8% y-o-y and 8.4% y-o-y, respectively, in FY20 and FY21. This high growth was mainly backed by a low base of FY21. FY22 IIP was higher when compared with the pre-pandemic level of FY20, indicating that while economic recovery was underway. During FY23, the industrial output recorded a growth of 5.2% y-o-y supported by a favorable base and a rebound in economic activities.

During FY24, the industrial output recorded a growth of 5.9% y-o-y supported by growth in manufacturing and power generation sectors. The period April 2024 – June 2024, industrial output grew by 5.2% compared to the 4.7% growth in the corresponding period last year. For the month of June 2024, the IIP growth increased to 4.2% compared to the last year’s 4.0%, on account of growth in mining. The manufacturing sector showed a decline in June 2024 from 3.5% in June 2023 to 2.6% in June 2024. Within the growth in manufacturing, the top three positive contributors were Manufacture of basic metals, Manufacture of electrical equipment, and Manufacture of motor vehicles, trailers, and semi-trailers.

So far in the current fiscal, the government's spending on infrastructure has been strong, and there are visible signs of pick up in private investment. Consumer durables production increased due to favorable conditions, while non-durables saw a slight decline. Urban demand is driving consumption, while rural demand is recovering. Good monsoon forecasts are positive, but high unemployment and food inflation pose challenges. Infrastructure/construction output is growing well due to government spending. Private investment and manufacturing capacity utilization are increasing, supporting hopes for private sector growth. Good monsoon could boost rural demand, but food inflation remains a concern. Overall, sustained improvements in consumption and private investment are crucial for industrial performance.

**Chart 4: Y-o-Y growth in IIP (in %)**



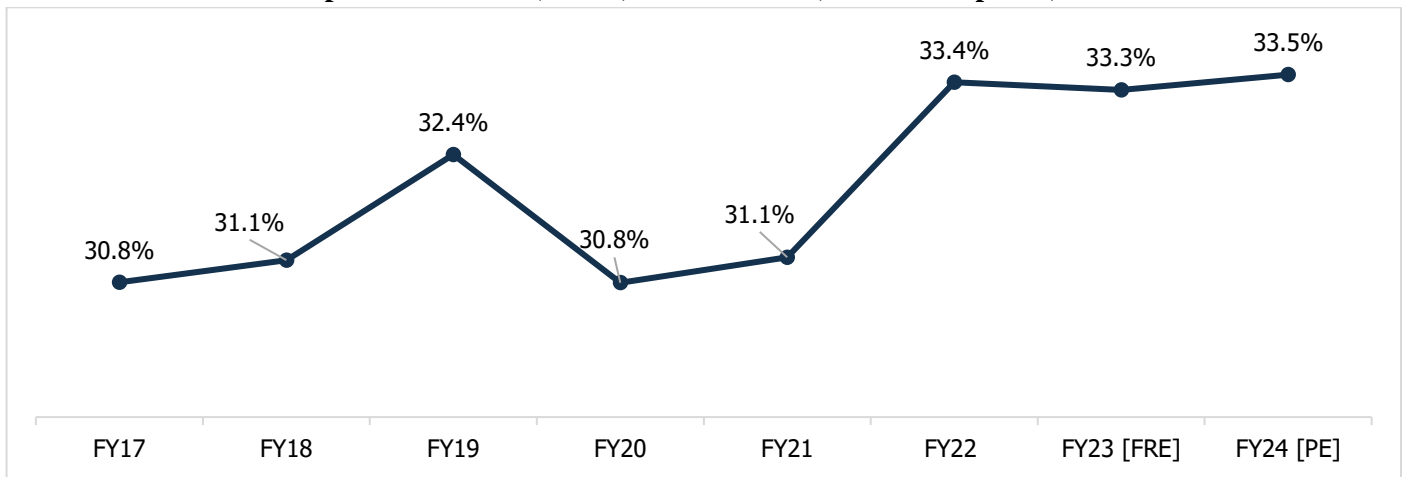
Source: MOSPI

### 1.2.5. Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF), which is a measure of the net increase in physical assets, witnessed an improvement in FY22. As a proportion of GDP, it is estimated to be at 33.4%, which is the highest level in 5 years (since FY17). In FY23, the ratio of investment (GFCF) to GDP remained flat at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24.



**Chart 5: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices):**



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

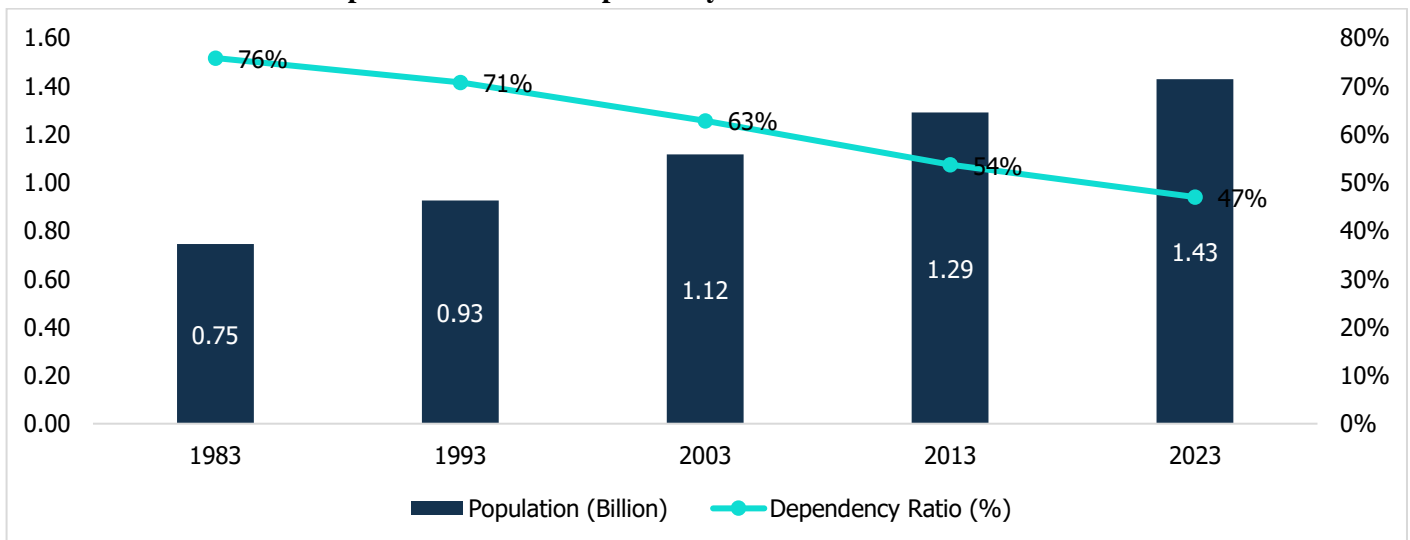
### 1.2.6. Overview on Key Demographic Parameters

- Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India’s population in 2022 surpassed 1.42 billion slightly higher than China’s population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1983, which has reduced to 47% in 2023. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

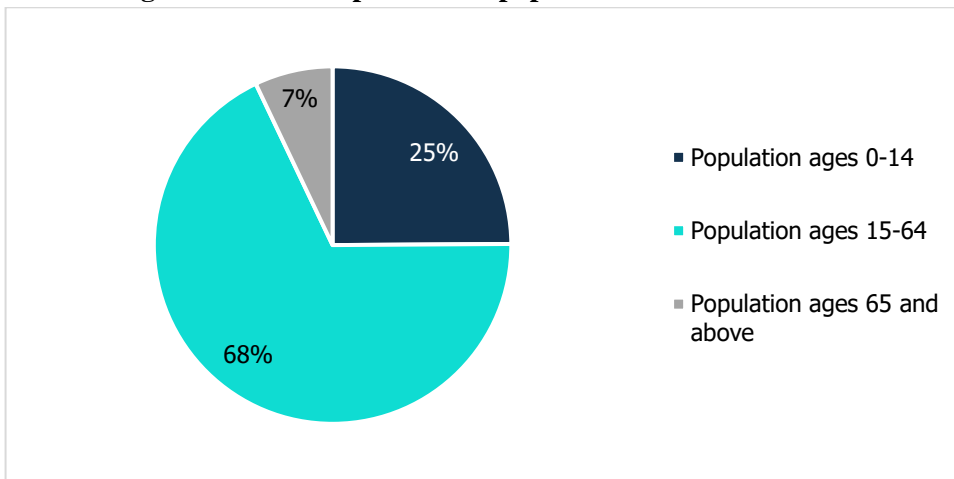
**Chart 6: Trend of India Population vis-à-vis dependency ratio**



Source: World Bank Database

With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a ‘demographic dividend’. India is home to a fifth of the world’s youth demographic and this population advantage will play a critical role in economic growth.

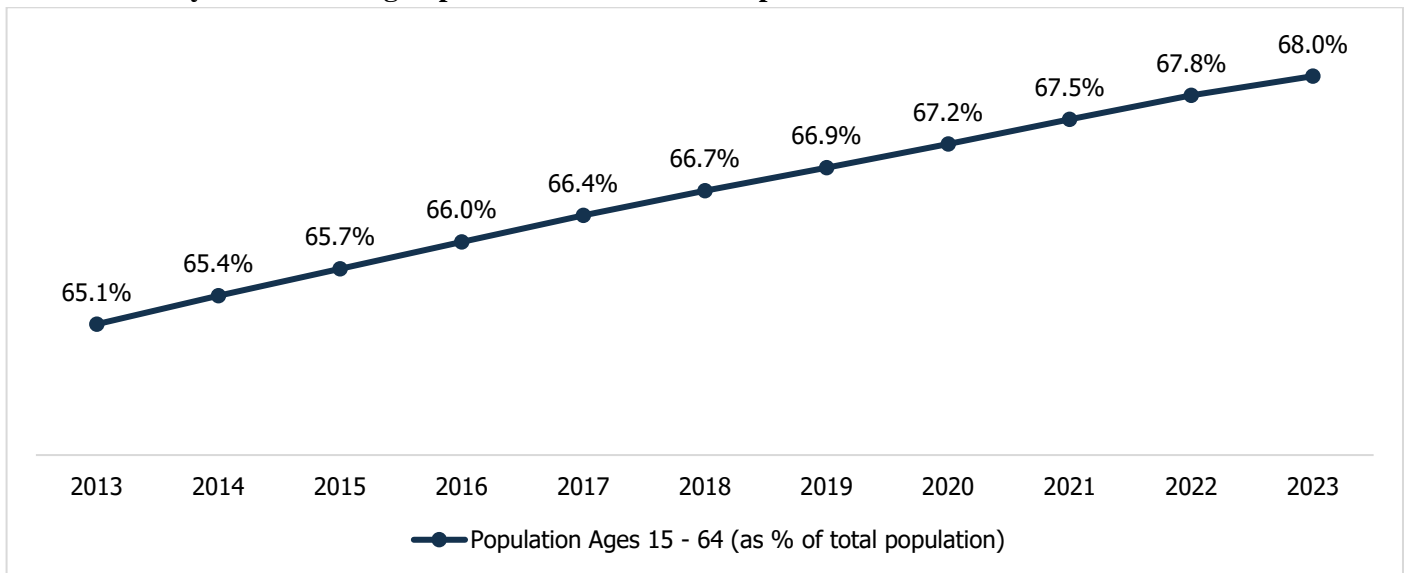
**Chart 7: Age-Wise Break Up of Indian population**



Source: World Bank Database

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**Chart 8: Yearly Trend - Young Population as % of Total Population**

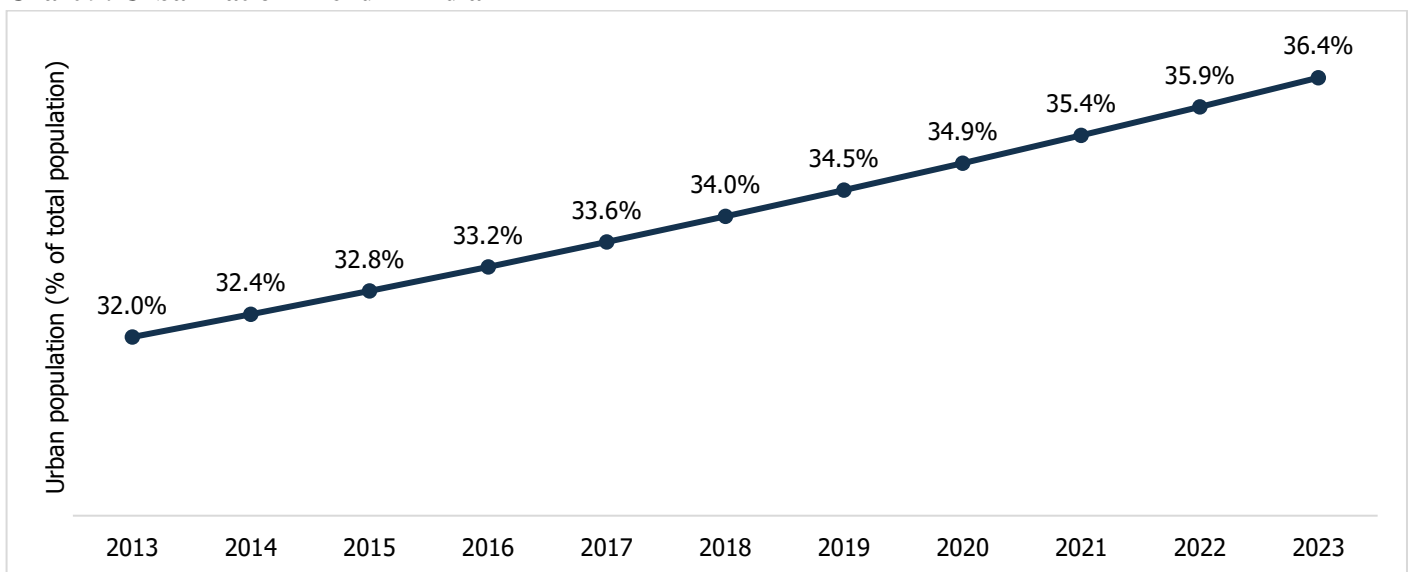


Source: World Bank database

- **Urbanization**

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 413 million (32% of total population) in 2013 to 519.5 million (36.4% of total population) in the year 2023. People living in Tier-2 and Tier-3 cities have greater purchasing power.

**Chart 9: Urbanization Trend in India**



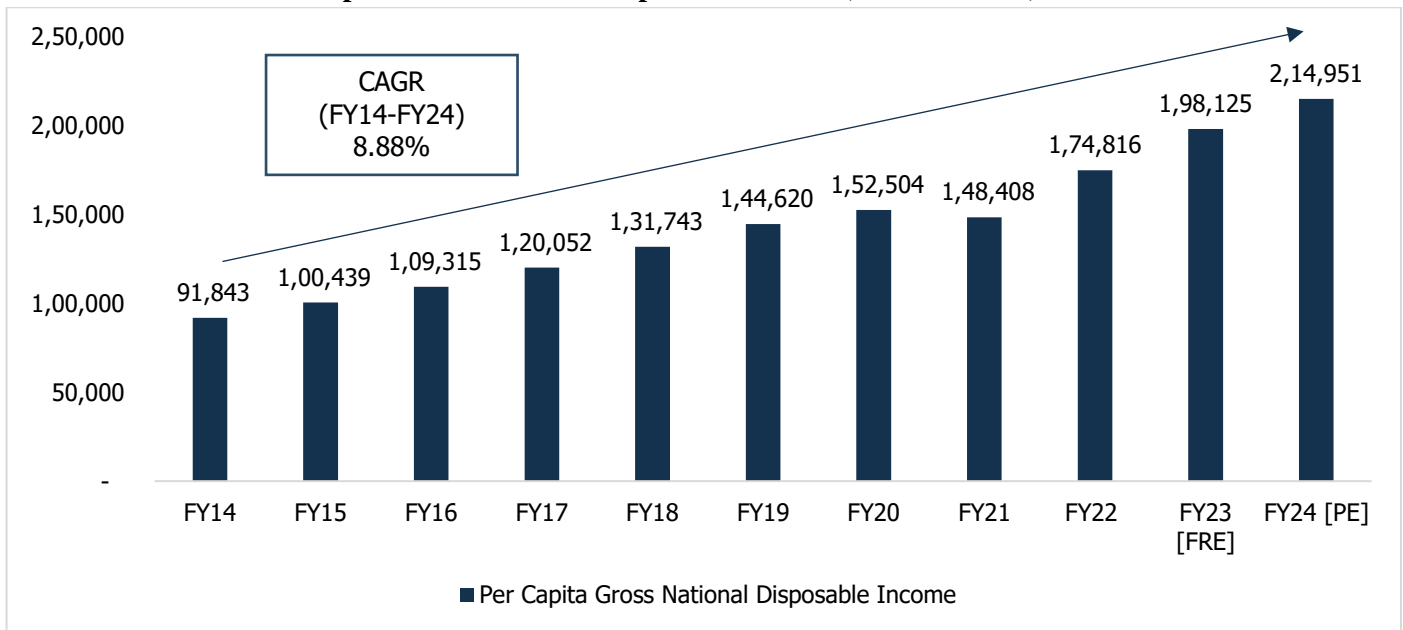
Source: World Bank Database

- **Increasing Per Capita Disposable Income**

Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.

The chart below depicts the trend of per capita GNDI in the past decade:

**Chart 10: Trend of Per Capita Gross National Disposable Income (Current Price)**

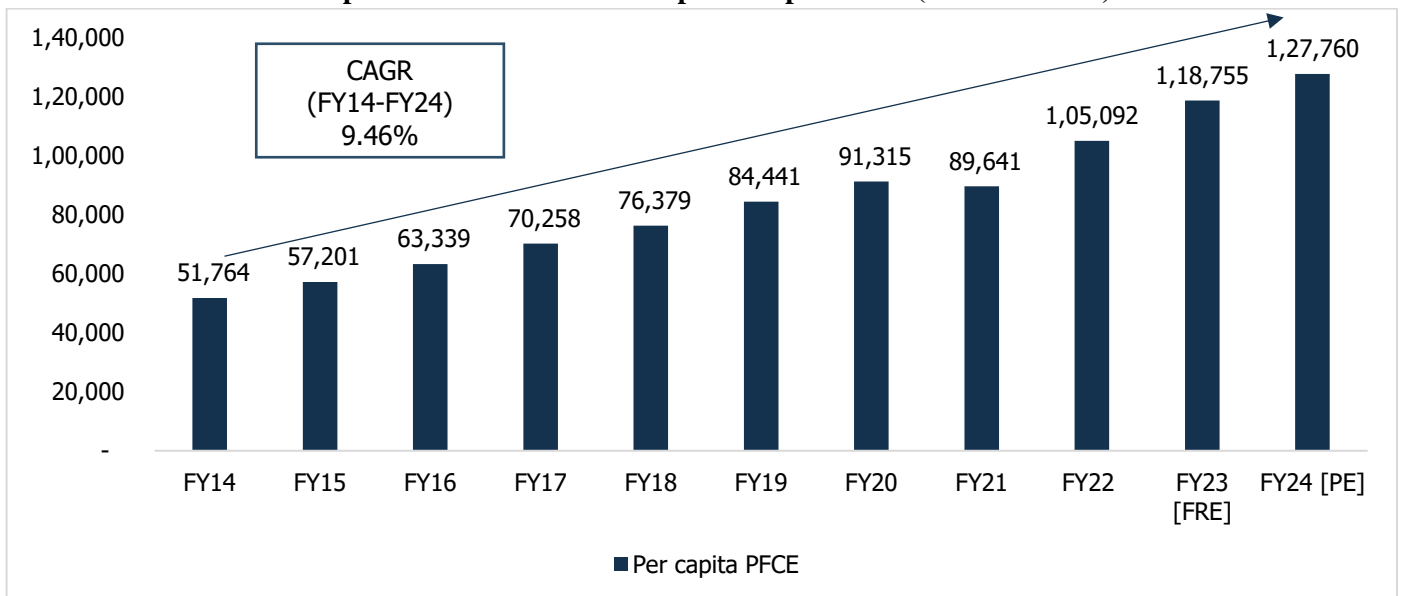


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

• **Increase in Consumer Spending**

With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 9.46%. Following chart depicts the trend of per capita PFCE at current prices:

**Chart 11: Trend of Per Capita Private Final Consumption Expenditure (Current Price)**



Source: MOSPI

**1.2.7. Concluding Remarks**

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and new technologies. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF’s forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy

domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, E-way bills, bank credit, toll collections and GST collections have shown improvement in FY24. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

The India Meteorological Department (IMD) has made a significant forecast, predicting "above normal" rainfall for the upcoming monsoon season, marking the first time in a decade that such an optimistic outlook has been declared at the initial stage. This forecast, coupled with an anticipated eight-year-high rainfall, offers promising prospects for the agrarian economy and inflation. The expected development of La Nina conditions in the second half of the year (August-September) further adds to the positive outlook. La Nina is a climate pattern that tends to enhance rainfall activity. IMD's more optimistic prediction is expected to bolster agricultural growth and incomes, while also potentially alleviating stubborn food inflation pressures.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government's thrust on capex and other policy support will aid the investment cycle in gaining further traction.

## **GOVERNMENT INITIATIVES**

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

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at ₹47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is ₹11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.

- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of ‘Aatmanirbhar Bharat’ and ‘Local goes Global’.
- To enhance India’s manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister’s Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of ₹1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry, and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of ₹2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of ₹5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (₹) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth ₹21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.

- Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than ₹80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to ₹ 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth ₹ 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Aatmanirbhar Bharat and create 60 lakh jobs with an additional production capacity of ₹ 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of ₹ 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of ₹ 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.



- In the Union Budget of 2022-23, the government has allocated ₹44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated ₹650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got ₹13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of ₹18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth ₹45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of ₹2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced ₹2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~₹2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to ₹50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise ₹4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.

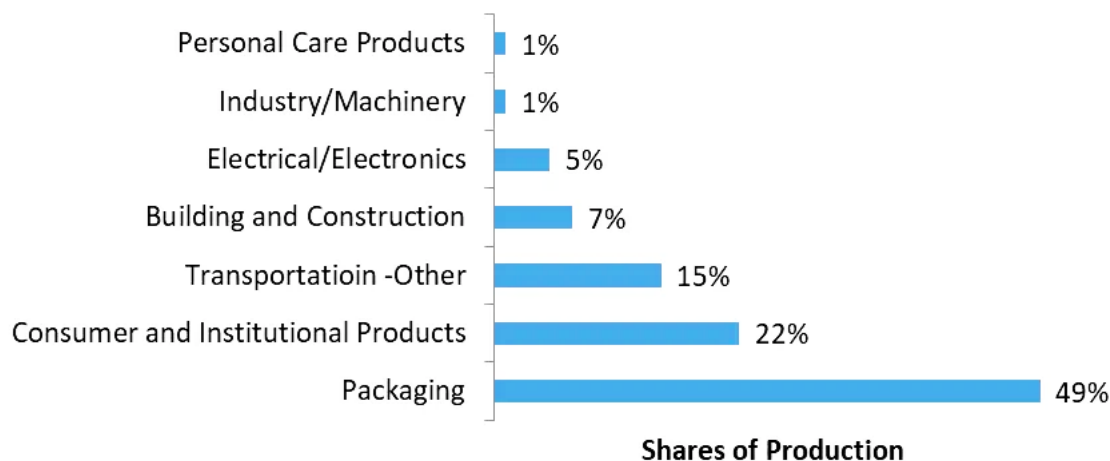
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

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

## 2. Indian Industry Overview

**India Master Batch Market** size was valued at USD 12.4 billion in 2023 and the total India Master Batch Market revenue is expected to grow at a CAGR of 4.8 % from 2024 to 2030, reaching nearly USD 17.22 billion. India's Master Batch to a concentrated mixture of pigments, additives, or modifiers that are used in plastic processing to impart color, enhance properties, or improve processing characteristics. It is extensively used across various industries like packaging, automotive, construction, and more to improve the performance and aesthetics of plastic products. The Master Batch Market in India has experienced substantial growth owing to the rising demand for plastic products in different sectors. It includes the production, distribution, consumption, and trade of these masterbatch products, considering factors such as demand, supply chain dynamics, and technological advancements. The India Master Batch Market has witnessed significant growth due to the expanding applications of plastics in various industries. Factors driving this growth include increasing demand for plastics across end-use industries, technological advancements in manufacturing processes, and rising investments in infrastructure and construction projects. The market's growth is propelled by the country's favorable government policies, which support the manufacturing sector.

### Shares of Distribution of Polypropylene Production in India, In 2023, By Application, (%)



#### Market Dynamics:

#### Plastics Demand in Packaging, Automotive, and Construction Sectors Fueling India's Master Batch Market growth:

The demand for plastics across various sectors like packaging, automotive, and construction is propelling the growth of the India Master Batch Market. For instance, the rise in automotive production in India has increased the demand for masterbatches used in interior and exterior parts, driving India Master Batch Market growth. Ongoing technological advancements and innovations in master batch production, such as the development of bio-based and additive masterbatches, are fostering market growth. Many companies have introduced antimicrobial masterbatches, catering to the increased need for hygiene in food packaging. India's rapid infrastructural development and construction projects require masterbatches for applications like pipes,

cables, and sheets, augmenting market growth. Real estate ventures and government initiatives, such as the "Smart Cities Mission," are further boosting the demand for master batches. The robust growth of the packaging industry, particularly in food and beverage packaging, is a key driver for the India Master Batch Market. For instance, with rising consumer preferences for packaged foods, the demand for colorful and sustainable packaging solutions using master batches is surging. The agricultural sector's adoption of plastics for greenhouse films, mulch films, and irrigation systems, among others, is driving the demand for masterbatches. The use of specialized masterbatches in agricultural films contributes to market growth. The increased demand for consumer goods and household items, including appliances, toys, and furniture, is fueling the India Master Batch Market. Some players are introducing masterbatch solutions for color and aesthetic appeal in various consumer goods, bolstering India Master Batch Market growth. The growing emphasis on sustainability and environmental concerns is pushing the market toward eco-friendly master batch solutions. Some companies are focusing on bio-based masterbatches made from renewable sources, aligning with the market's sustainable trajectory.

India Master Batch Market is benefiting from increased export opportunities, driven by quality production, cost-competitive pricing, and expanding global demand. The export-oriented approach of Indian master batch manufacturers is contributing significantly to India Master Batch Market growth. Investments in research and development for new formulations, color variations, and performance-enhancing additives are fostering market growth. Many companies are investing in advanced R&D centers to develop innovative master batch solutions tailored to diverse industry needs. Favorable government initiatives and policies, such as 'Make in India' and incentives for the plastics industry, are stimulating India Master Batch Market growth. The Indian government's focus on encouraging domestic manufacturing and promoting plastic-related industries augurs well for the master batch India Master Batch Market growth.

#### **Picture to be inserted**

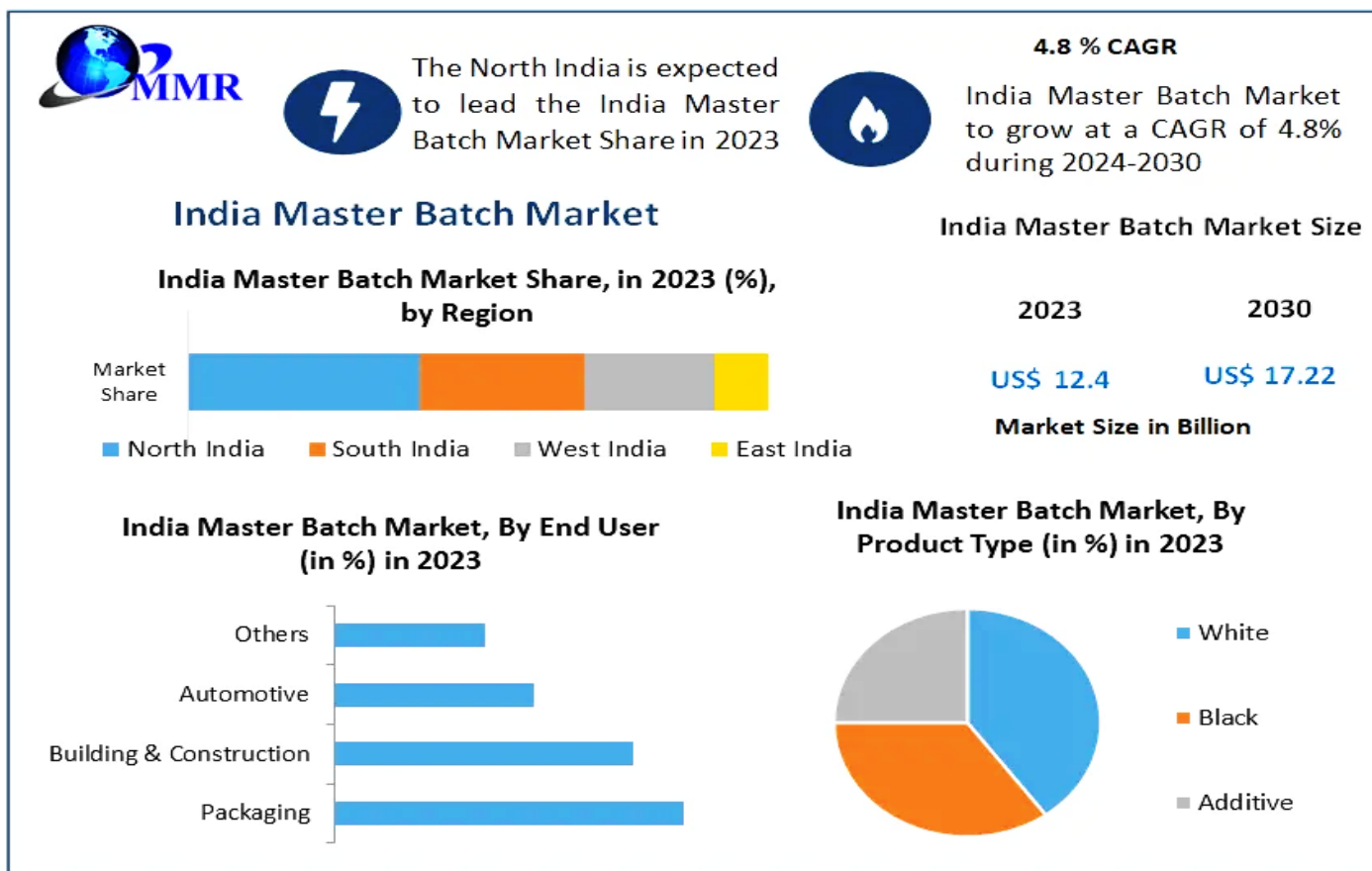
#### **Consumer Awareness and Regulatory Support Spur Demand for Sustainable Masterbatch Solutions:**

The increasing need for advanced packaging techniques, such as UV protection and recyclable materials, drives the demand for masterbatches like PET UVA and AA Scavenger, which cater to specific packaging requirements. Continuous technological developments, like Penn Color's new facility in Thailand, facilitate enhanced manufacturing capabilities, expanded product portfolios, and improved service offerings, thereby capturing a larger market share. The industry's increasing focus on sustainability propels the demand for eco-friendly solutions. Initiatives promoting the use of recycled materials, as demonstrated by Ampacet's AA Scavenger, align with sustainability goals, fostering market growth. The establishment of new production facilities, like Penn Color's Rayong plant, represents a significant milestone in market expansion efforts, catering to regional demands and strengthening market presence. Collaborations between key players, such as PolyOne's partnership in eliminating paint from vehicle interiors, demonstrate the potential for collaborative innovation, driving market growth by offering innovative solutions. The introduction of versatile masterbatches compatible with multiple materials, as seen with Ampacet's UVA formulations for both PP and PE materials, enhances flexibility, caters to diverse industry needs, and expands market opportunities. Supportive government regulations promoting the use of advanced materials in packaging, such as those promoting recyclable materials, provide growth opportunities for masterbatch manufacturers complying with these regulations. Increasing awareness among consumers about the benefits of using masterbatches, especially those that contribute to product quality enhancement and environmental sustainability, drives market growth by stimulating demand. The expanding applications of masterbatches in diverse industries, such as automotive and packaging, present opportunities for manufacturers to tap into these sectors and expand their market reach. The ability to offer customized masterbatch solutions, catering to specific industry requirements, enables market players to differentiate themselves and capture niche markets, thereby fostering growth.

#### **2.1. India Master Batch Market Segment Analysis:**

**Based on Polymer Type,** The India Master Batch Market shows significant segmentation based on polymer types, with Polyethylene (PE) and polypropylene (PP). Polyethylene commands a dominant position due to its extensive utilization in various industries such as packaging, consumer goods, and agriculture. The ease of process ability, versatility, and superior mechanical properties of PE bolster its demand, making it the leading segment. Additionally, Polypropylene holds a substantial market share, primarily attributed to its increasing adoption in the automotive, electrical, and construction sectors owing to its exceptional thermal

and chemical resistance properties. While PE currently dominates, Polypropylene is projected to witness a substantial growth trajectory, driven by its rising applications in diverse industries. Polymer types, although comprising a smaller market share, contribute to specialized applications like ABS, PVC, and engineering plastics, showing potential for growth through targeted industry applications and technological advancements in niche sectors.



## 2.2. India Master Batch Market Regional Insights:

Western India leads the Master Batch Market in India. The region encompasses key industrial zones and harbors major manufacturing hubs. Gujarat, a significant state within Western India, hosts multiple industries, including plastics, packaging, automotive, and textiles, contributing substantially to the masterbatch India Master Batch Market. The vibrant chemical and polymer industries in Gujarat, supported by the presence of industrial clusters like Ankleshwar and Vapi, drive the demand for masterbatch products. Maharashtra, another prominent state in this region, hosts a multitude of manufacturing units, further augmenting the market. The concentration of plastic, packaging, and automobile industries in Maharashtra, particularly in cities like Mumbai and Pune, fuels the demand for masterbatches. Southern India exhibits promising potential for future growth in the India Master Batch Market. States like Tamil Nadu and Karnataka are witnessing a surge in industrial activities, especially in the plastics and packaging sectors. The robust growth of the automotive and electronics industries in these states contributes significantly to the demand for masterbatch products. Additionally, the establishment of manufacturing clusters and industrial zones in cities like Chennai, Coimbatore, and Bengaluru creates a conducive environment for India Master Batch Market growth. Tamil Nadu, in particular, is emerging as a key hub for plastic-related industries, attracting investments and driving the demand for masterbatch materials. The growing emphasis on innovation and technological advancements in the plastics processing and packaging sectors in Southern India positions the region for substantial growth in the forecast period.

(Source: <https://www.maximizemarketresearch.com/market-report/india-master-batch-market/20058/>)

## 1. Threats and Challenges for the industry

**Challenges Stemming from Fluctuating Polymer Costs Impacting Profitability:** Fluctuating prices of key raw materials like polymers pose challenges. For instance, the increase in polymer resin costs in India impacts master batch manufacturing, hindering profitability and affecting India Master Batch Market competitiveness. The presence of numerous local and international players intensifies competition and makes market entry challenging for new entrants, impacting India Master Batch Market share. Adherence to stringent regulations and environmental norms poses challenges. For example, compliance with India's Plastic Waste Management Rules requires investments in sustainable and eco-friendly manufacturing practices, impacting production costs. Constant technological advancements demand investment in R&D. For instance, incorporating innovative additives and colorants, such as UV stabilizers or antimicrobial agents, necessitates continuous technological upgrades, impacting production expenses. Growing environmental awareness demands eco-friendly solutions. For example, the push for bio-based or biodegradable master batches to reduce environmental impact poses challenges due to the higher costs associated with these alternatives. Disruptions in supply chains, like logistics issues or raw material shortages, impact production schedules. For instance, disruptions in transportation during periods of unrest or natural calamities impact the availability of raw materials. Maintaining consistent product quality poses challenges for the India Master Batch Market. For example, variations in color consistency or dispersion quality impact product acceptability and require stringent quality control measures. Evolving consumer preferences demand customized solutions. For instance, the demand for specialty master batches with specific properties, like flame retardancy or anti-static properties, requires customization, impacting production processes. Inadequate infrastructure and skilled labor availability affect India Master Batch Market growth. For instance, limited access to modern manufacturing facilities and skilled technicians in certain regions impacts production efficiency and quality sources.

## 2. Opportunities

### Increasing demand for biodegradable & sustainable Masterbatch Options

Biodegradable and sustainable masterbatch are designed to degrade naturally over time, reducing their environmental impact. These formulations contain environmentally friendly additives or polymers. Biodegradables and sustainable master batches includes bio-based, compostable and oxo-degradable masterbatches. Companies are focusing on eco-friendly alternatives to address the environmental concerns related to plastic pollution and resources depletion. Such development along with growing environment awareness, stringent government regulations and compliances for single use plastics and increasing consumer preference for eco-friendly products, are expected to generate growth opportunities for the stakeholders in the coming years.

However, the UV segment is projected to record the highest growth rate during the forecast period 2024-31. The growth of this segment is driven by the increasing awareness regarding the damaging effects of UV radiation on plastics, government regulations and industry standards mandating UV protection, and the growing demand of UV masterbatch products to enhance the durability and longevity of plastic products exposed to outdoor environment.

## PEER COMPARISON

### i. Deep Polymers Limited

Deep Polymers Limited was incorporated on September 13, 2005. The company manufactures colour and additive masterbatches for engineering plastics and compounds that includes wide range of quality products like antifab fillers, transparent fillers, colour fillers, which is used as cost effective replacements for polymers and acts as anti-fibrillating, anti-blocks, anti-slip agents.

Deep Polymers prominent manufacturer and supplier of a whole range of Masterbatches such as Antifab Fillers, Transparent Fillers, Color Fillers, White Masterbatches, Special Effect Masterbatches, Additive Masterbatches and many more. Our products are compatible with any plastic material and any process i.e. injection moulding, blow moulding, extrusion, rotation moulding etc. We believe that we are backed by a well infrastructure with all the latest technology and high performing machines that deliver maximum output and facilitate hassle free production.

## Financials

(₹ in Lakhs)

Particulars (₹ Thousand)	FY22	FY23	FY24
Revenue	13,928.35	12,241.45	10738.02
EBITDA	1742.53	1584.90	1459.99
PAT	1111.29	929.56	711.94
Equity	2303.28	2303.28	2418.00
Basic EPS	4.82	2.72	3.03

Source: Company's Financials/ Annual reports available on BSE Limited & MCA

## ii. G M Polyplast Limited

G M Polyplast Limited was incorporated on November 27, 2003. GM Polyplast Limited is one of the leading manufacturers of HIPS, ABS, PET, PP, HDPE Sheets and Premium quality Granules which started its operations back in 2003.

The company guarantees that it is up-to-date with the latest technologies in all of its operations. Its primary focus is not only the development of existing products, but also the addition of new designs and colours. It emphasises product Quality & Client satisfaction.

## Financials

(₹ in' 000)

Particulars (₹ Thousand)	FY22	FY23	FY24
Revenue	7,38,682	8,22,573	9,20,191
EBITDA	69,099	80,075	115,290
PAT	41,927	49,203	70,865
Equity	1,34,596	1,34,596	1,34,596
Basic EPS	0.003	3.66	5.27

Source: Company's Financials/ Annual reports available on BSE Limited & MCA

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## OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, consists of certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. You should read the section “**Forward-Looking Statements**” on page no 22 for a discussion of the risks and uncertainties related to those statements and the section “**Risk Factors**” on page no 29 for a discussion of certain risks 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 Renol Polychem Limited.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our **Financial Statement as Restated** included in this Draft Red Herring Prospectus beginning on page no205*

*The information in the following section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “**Risk Factors**”, “**Industry Overview**”, “**Financial Statement as Restated**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page no 29, 115, 205 and 223 respectively.*

## OVERVIEW

### Who We Are

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm was converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad (Gujarat). Subsequently, the name of our company was changed from “**Renol Polychem Private Limited**” to “**Renol Polychem Limited**” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, issued by the Registrar of Companies, Central Processing Centre.

We started our operations way back in the year 2008 in the name and style of M/s Renol Enterprise, a partnership firm and further commenced its operations as a Private company under the name and style of Renol Polychem Private Limited, since January 09, 2024.

Our Company is engaged in the manufacturing of colour masterbatches, colour pigment, filler granule, anti-moisture powder, carbon noodles, superpack & onepack, impact modifier, processing AID and tinanium dioxide. We started our operations/ business at Rajkot in 2008 and commenced our manufacturing operations in 2020. Our Company also specializes in manufacturing of customized masterbatch and pigments to suit the specific requirements of our customers/ manufacturers.

We are also providing solutions such as all-in-one additive containing stabilisers, impact modifier, color pigments etc. to help the manufactures/ producers of UPVC, & CPVC pipes, Pipe fittings and manufacturing of other plastic products.

Renol is committed towards achieving customer satisfaction and performance excellence. Through leadership and teamwork, the company makes continual and timely improvements, focusing on meeting customer needs and the industry’s highest standards. As a result, we will continue to deliver quality products to increase our customer’s trust and satisfaction.



Our growth has been largely due to confidence in its own capability, infrastructure and team created over the years. Our company has been steadily diversifying as well as adding new products to its portfolio, besides adding additional infrastructure for increasing its manufacturing capability for its existing products. Our Company actively works for the benefit of their employees and labourers with prime focus being health, hygiene and welfare of the workforce to ensure that the safety and management norms are being complied with.

Quality is of the paramount importance as it can essentially make or break a brand. A failure to maintain quality standard can prove to be extremely detrimental to the business of our Company. We give quality which is the utmost priority at all stages of production to ensure our customers are thoroughly satisfied. We have levels of quality checks in place to make sure that the requisite quality of the product is being achieved at every stage of manufacture from raw materials to packaged stock. We constantly endeavour to maintain and exceed customer expectations consistently in all aspects of quality.

Our Company is managed by our Promoters namely Mr. Bhaveshbhai Mansukhbhai Harsoda and Mr. Naitik Bhaveshbhai Harsoda. Bhaveshbhai Mansukhbhai Harsoda- Managing Director of the Company is responsible for complete production and operational activities of the company and is having an experience of more than 15 years in this industry. Naitik Hiteshbhai Harsoda- Executive Director of the Company is having an experience of 4 years and is playing vital role in overseeing the sales & marketing strategies for our products.

### Key Performance Indicators of our Company

The following table sets forth a breakdown of our revenue from operations, as well as other key performance indicators, for the periods indicated:

(₹ in Lakhs, except for percentage)

Particulars	As on September 30, 2024	As on March 31, 2024	From April 01, 2024 to February 17, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations <sup>(1)</sup>	2885.57	644.93	4581.30	4166.77	2678.77
Revenue CAGR (%) from FY 2022-2024	24.95%				
EBITDA <sup>(2)</sup>	318.32	225.28	391.25	132.52	40.80
EBITDA (%) Margin <sup>(3)</sup>	11.03%	34.93%	8.54%	3.18%	1.53%
EBITDA CAGR (%) from FY 2022-2024	147.43%				
EBIT <sup>(4)</sup>	311.96	228.01	391.74	134.36	37.22
ROCE (%) <sup>(5)</sup>	30.75%	37.42%	104.33%	32.17%	9.14%
Current ratio <sup>(6)</sup>	1.76	2.28	1.03	4.08	5.59
Operating cash flow <sup>(7)</sup>	(588.57)	120.20	41.92	(111.04)	22.28
PAT <sup>(8)</sup>	219.61	153.39	241.06	72.81	15.75
PAT Margin <sup>(9)</sup>	7.61%	23.78%	5.26%	1.75%	0.59%
Net Worth <sup>(10)</sup>	1088.90	869.30	246.24	270.63	188.09
ROE/ RONW <sup>(11)</sup>	22.43%	27.50%	93.28%	31.74%	11.22%
EPS <sup>(12)</sup>	4.00	2.79	NA	NA	NA

#### Note:

(1) Revenue from operations is the revenue generated from operations by our Company.

(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.

(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

(4) EBIT is Earnings before Interest Cost and taxes.

(5) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long-term debt.

(6) Current Ratio: Current Asset over Current Liabilities.

(7) Operating Cash Flow: Net cash inflow from operating activities

(8) PAT is mentioned as profit after tax for the period.

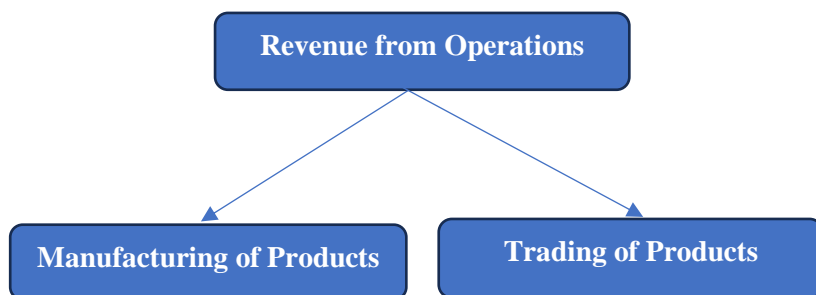
(9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.

(10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

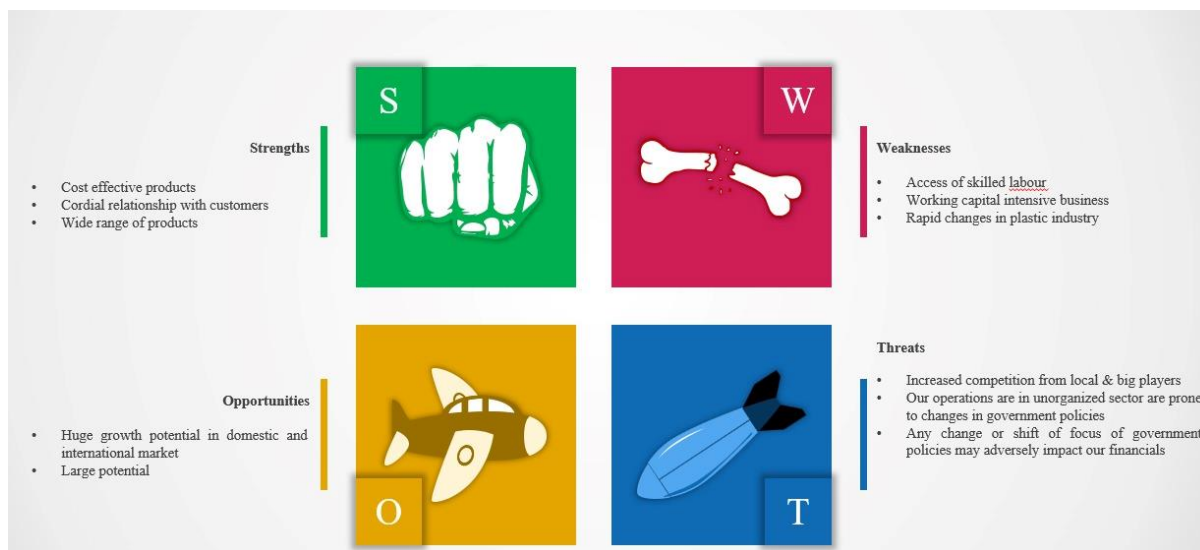
(11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders' equity

(12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

**Our revenue model is summarized as below:**



## SWOT Analysis



## OUR COMPETITIVE STRENGTH

### 1. Rich management experience

Our Promoter Mr. Bhaveshbhai Mansukhbhai Harsoda hold substantial experience in manufacturing and supply of color masterbatches and impact modifiers of more than 15 years. Our Company is managed by a team of experienced and professional personnel, exclusively focused on different aspects of the industry. The team comprises of personnel having operational experience and they are capable of creating and facing the challenges of growth within our Company. We believe that our management team's experience and their understanding of our industry will enable us to continue to take advantage of both current and future market opportunities. Our Management's experience and knowledge enables us in addressing and mitigating various risks inherent in our business, including competition, the global economic crisis related effects and fluctuations in the prices.

## 2. Diversified product range appealing to a wide range of customers

Our company has diverse product portfolio across various categories which includes products as mentioned herein below. We deal in a wide range of products, which enables us to cater widespread customer base across India and also expand our reach in international locations. Over the period, we have expanded our focus from trading of products to manufacturing of products. We believe that we have necessary resources, experience and network to launch additional products in future and to cater to wider range of products related to our industry as per requirements of the customers.

The table below reflects our revenues from operations for the periods indicated based on our different products:

(₹ in INR, except for percentage)

Product Name	Period ended September 30, 2024	% of Total Sales	FY 2023-24	% of Total Sales	FY 2022-23	% of Total Sales	FY 2021-22	% of Total Sales
<b>Products Manufactured</b>								
Colour Masterbatches	3,93,58,125	13.64	6,43,93,465	12.32	4,25,01,505	10.20	1,50,99,495	5.64
Colour Pigment	2,69,91,438	9.35	4,82,62,314	9.23	3,16,69,670	7.60	1,57,35,862	5.87
Filler Granule	2,02,12,904	7.00	3,42,50,010	6.55	2,91,63,269	7.00	1,87,51,360	7.00
Anti-Moisture Powder	3,07,26,073	10.65	4,82,62,318	9.23	4,29,31,304	10.30	2,78,40,452	10.39
Carbon Noodles	2,88,46,905	10.00	4,84,29,115	9.27	3,04,08,057	7.30	2,24,97,657	8.40
Superpack & Onepack	6,08,43,630	21.08	8,30,32,835	15.89	6,03,95,692	14.49	4,52,79,981	16.90
Impact Modifier	2,56,85,032	8.90	3,12,16,021	5.98	2,48,57,430	5.97	1,33,95,938	5.00
Processing AID	66,19,673	2.29	1,52,59,158	2.92	1,42,30,819	3.42	69,96,683	2.61
Titanium Dioxide	1,15,00,497	3.99	1,81,57,307	3.47	1,71,03,381	4.10	1,01,63,979	3.79
<b>Total A</b>	<b>25,07,84,277</b>	<b>86.90</b>	<b>39,12,62,543</b>	<b>74.86</b>	<b>29,32,61,127</b>	<b>70.38</b>	<b>17,57,61,407</b>	<b>65.61</b>
<b>Products Traded</b>								
Carbon Powder	42,80,510	1.48	2,20,18,851	4.21	2,30,32,890	5.53	2,20,25,321	8.22
Tin Stabiliser	99,07,032	3.43	2,55,98,550	4.90	2,05,38,200	4.93	1,55,38,500	5.80
Waxes and Lubrication (PE Wax, Chemical Additives)	68,32,600	2.37	1,83,83,083	3.52	1,66,32,800	3.99	1,20,30,208	4.49
Steric Acid	20,32,730	0.70	71,06,910	1.36	75,32,943	1.81	45,38,300	1.69
Calcium Zinc Stabilizer	9,55,890	0.33	56,68,320	1.08	55,38,620	1.33	40,60,275	1.52
Zinc Stearate	12,25,100	0.42	63,92,990	1.22	56,32,700	1.35	23,79,610	0.89
Calcium Stearate	14,89,610	0.52	54,01,006	1.03	45,32,400	1.09	35,60,200	1.33
Anti-Oxidant	8,95,400	0.31	30,23,020	0.58	22,50,370	0.54	9,80,530	0.37
DOP, DBP, EPOXY, CPW (White Oils)	41,64,692	1.44	1,37,89,300	2.64	1,65,32,800	3.97	89,20,498	3.33
NBS	5,68,200	0.20	13,86,290	0.27	18,55,966	0.45	11,25,800	0.42
Optical Brightener	12,35,720	0.43	21,70,742	0.42	15,60,850	0.37	9,35,600	0.35
Calcium Powder (Marble Powder)	42,15,608	1.46	2,04,21,550	3.91	1,77,75,106	4.27	1,60,20,320	5.98
<b>Total B</b>	<b>3,78,03,092</b>	<b>13.10</b>	<b>13,13,60,612</b>	<b>25.14</b>	<b>12,34,15,645</b>	<b>29.62</b>	<b>9,21,15,162</b>	<b>34.39</b>
<b>Total Sales (A + B)</b>	<b>28,85,87,369</b>		<b>52,26,23,155</b>		<b>41,66,76,772</b>		<b>26,78,76,569</b>	

Geography-wise revenues from operations for the periods as indicated below:

(₹ in INR, except for percentage)

Geographical Locations	As at September 30, 2024	% of Revenue from Operations	As at March 31, 2024	% of Revenue from Operations	As of March 31, 2023	As % of Revenue from Operations	As of March 31, 2022	% of Revenue from Operations
Gujarat	2,787.35	96.59%	3,058.91	58.53%	2,311.72	55.48%	1,241.07	46.33%
Tamil Nadu	5.04	0.17%	1,177.99	22.54%	826.27	19.83%	460.21	17.18%
Karnataka	20.02	0.69%	763.03	14.60%	640.85	15.38%	328.15	12.25%
Other States	73.46	2.55%	226.30	4.33%	387.93	9.31%	649.33	24.24%
<b>Total</b>	<b>2,885.87</b>	<b>100.00%</b>	<b>5,226.23</b>	<b>100.00%</b>	<b>4,166.76</b>	<b>100.00%</b>	<b>2,678.76</b>	<b>100.00%</b>

Note:

The aforesaid details are duly certified by M/s K M Chauhan & Associates, Chartered Accountants, by their certificate dated December 13, 2024 having UDIN: 24154536BKBNML2457.

### 3. Cordial relationship with the customers/ vendors and established manufacturing facility

Offering quality products at attractive prices is a key aspect of maintaining and expanding our relationships with our customers. We have adopted several initiatives designed to improve our cost efficiency such as strategic vendor relationship for the procurement of raw materials, local sourcing to mitigate transportation costs, focus on engineering, reduce customer response time, an emphasis on increasing customer support through after-sales services etc. These endeavors, including the optimization of in-house processes, are fundamental to our commitment to delivering projects while upholding cost-effectiveness. We continue to invest in operational excellence throughout the organization without any compromise on the quality.

Our manufacturing facilities located at Shed Kothariya Sr No. 238, Plot No. 34, Rajkot Gujarat are spread over 4500 Sq. Ft. of area Our dynamic setup not only gives us better control over quality but also benefits us with cost advantages compared to our competitors who resort to job work for various activities in the complete manufacturing process.

For deeper market penetration, establishment of strong customer network is an integral part of our business operations. We have almost 750+ customer based in Gujarat region and outside Gujarat. Furthermore, we have been working effortlessly on expanding our customer network to other states. As we continue to introduce newer product in our product range, we need to maintain strong customer network enabling us to achieve market penetration of those products in shorter time around.

## OUR BUSINESS STRATEGY

### 1. Expanding our clientele Network by Geographic expansion:

We believe that our growth in other states in the country can fetch us new business expansion and opportunities. We are currently located at Gujarat. Going forward we intend to establish our customer base in other locations of the country. Our emphasis is on scaling of our operations in other markets shall provide us with attractive opportunities to grow our client base and revenues.

### 2. Reduction of operational costs and achieving efficiency:

Apart from expanding business and revenues we have to look for areas to reduce costs and achieve efficiencies in order to remain a cost competitive company. We try to reduce the wastages and control the production on the production floor through effective supervision. Our focus has been to reduce the operational costs to gain competitive edge.

### 3. Continue to improve operating efficiencies through technology enhancements:







Our production process is semi- automated with our Manufacturing facilities, housing product specific equipment and machineries that support us in manufacturing of our Products in accordance with our customer requirements. In line with our proposed expansion plans, we intend to further develop our technology systems in order to increase asset productivity, operating efficiencies and strengthening our competitive position by employing the latest machinery.







## OUR PRODUCTS



We deal in wide range of products as stated below:

Product Image	Name of Product	Description
<b>PRODUCTS MANUFACTURE BY US</b>		
	Colour Masterbatches	Colour Masterbatch is a solid additive used for coloring (colour masterbatch) or imparting other properties (additive masterbatch) to plastics. Masterbatch is a concentrated mixture of pigments and/or additives encapsulated during a heat process into a carrier resin, which is then cooled and cut into a granular shape.
	Colour Pigment	Pigments are insoluble organic or inorganic particles added to the polymer base to give a specific color to the plastic. Pigments that are organic in nature are hard to disperse and tend to form agglomerates (clumps of pigment particles). These agglomerates can cause spots and specks in the final product.
	Filler Granule	Filler Granules is used to change the properties of the original plastic. By using plastic filler, manufacturers can save production costs as well as raw materials.  Undeniably the importance of filler masterbatch in improving the physical properties of plastics, especially minimizing cost and production efficiency.
	Anti-Moisture Powder	Anti-Moisture Powder is a plastic additive that absorbs moisture from the raw material. Plastic product including extrusion, injection and film process is made of plastic raw material melt with high temperature by extrusion moulding equipment. The quality of plastic product is directly and closely related to the compaction and drawback rate for moulding.
	Carbon Noodles	Carbon Noodles use for manufacturing black recycled polymeric granules where minimal dusting requires. Carbon noodle allows carbon to disperse in polymeric matrix better than carbon in powder form and it also provides minimum wear to processing equipment.
	Superpack & Onepack	A One Pack Stabilizer is a pack of additives added during the processing of PVC. The additives are a combination of substances like Oxidisers, Lubricants etc. One Pack Stabilizers may be Lubricated or Non-Lubricated. Non-Lubricated One Pack Stabilizers are high performance stabilizers that are specially designed for optimum performance. One Pack Stabilizers play important roles during processing as well as during the service life of the product to which they are added. There are Lead & Tin based One Pack Stabilizers that are metal complexes together with Stearates and Lubricants that are produced in solid form.



	Impact Modifier	Impact modifiers are acrylic impact modifier with core/shell structure in which core being moderate cross-linked structure is linked with shell by grafting copolymerization. It not only improves impact resistance performance of the product, but also increases the surface gloss, especially the weatherability of the product. It is especially suitable for outdoor products and broadly used in PVC profiles, sheets, boards, pipes, pipe fittings, etc.
	Processing AID	Acrylic processing aid can be used separately or with other processing aid to promote PVC fusion. It can be applied to PVC building and construction materials such as window profile, siding, fence, pipe, fitting and other injection parts. Furthermore, they can also be used in foam application.
	Titanium Dioxide	Titanium is a metallic element used for multiple industrial processes. It naturally interacts with oxygen to produce titanium oxides, often found in indigenous dust, soils, and ores. Pure titanium dioxide (TiO <sub>2</sub> ) primarily exists as a fine white powder that provides a white pigment used in various applications. TiO <sub>2</sub> has been used for years as an additive in a variety of industrial products, including PVC and paints & coatings.
<b>PRODUCTS TRADED BY US</b>		
	Carbon Powder	Black Carbon Powder is widely utilized as reinforcing filler for rubber compounds and as pigment for colors, paints, & inks. It is known to have a high surface area to volume ratio and assures excellent quality. This powder is also admired for having the ability to absorb ultraviolet rays hence it is used in polypropylene manufacturing.
	Tin Stabiliser	PVC Stabilizers are used to prevent degradation of polyvinyl chloride (PVC) by heating, oxygen and ultraviolet, etc. especially during processing, but also in applications. The choice of stabilizers depends on processing technologies, cost, relevant legal restrictions and requirements of the finished PVC products. By combining with lubricants, auxiliary stabilizers, antioxidants, anti-ultraviolet agents and other additives, our stabilizer provides suitable and efficient solutions for a variety of PVC processing requirements.
	Waxes and Lubrication <i>(PE Wax, Chemical Additives)</i>	Wax is very good external lubricant for PVC. When wax use in PVC application, final produce face has been shining. PE wax using decrease the friction so increase the extrusion capacity. wax using doesn't change the product color because wax has got good oxidation resistance. wax doesn't bad effect product's heat and light stability because wax doesn't include catalyzors remnant. wax increase last product's light stability.
	Stearic Acid	Stearic Acid acts as an activator, accelerator, lubricant, and mold release agent for rubber processing. In other plastic applications it also mold release agent and lubricant. In PVC processing, it is a viscosity depressant as well as an internal and external lubricant.

	<p>Calcium Zinc Stabilizer</p>	<p>Calcium zinc Stabilizers mainly consist of Calcium Stearate, Zinc Stearate, organic and inorganic non-toxic co-stabilizers, and internal and external lubricant. Core stabilizers provide initial color sufficient for PVC processing. Co-stabilizers are used to give excellent. whiteness and long-term stability.</p>
	<p>Zinc Stearate</p>	<p>Zinc Stearate is a white free flowing powder that is insoluble in water, providing it water repellent properties. This product provides excellent lightness, melt transparency and stability in polymers.</p> <p>Zinc stearate is used as an internal lubricant and release agent in plastics such as PVC, rubber, EVA and HDPE.</p>
	<p>Calcium Stearate</p>	<p>Calcium stearate is the calcium salt of distilled, hydrogenated fatty acids. Products differ mainly in degree of over basing, apparent density and particle fineness of powders.</p> <p>Calcium stearate is used as a catalyst neutralizer and/or lubricant in polypropylenes. Precipitated versions provide finer particle sizes and are used in specialized polypropylene uses such as thin fibers and films. Calcium stearate does not melt, but reaches a plastic phase at normal processing temperatures and sometimes does not disperse as well as might be expected.</p>
	<p>Anti-Oxidant</p>	<p>Anti oxidant is effective in elastomers such as block copolymers, SBR, EPDM, NBR, CR, and other synthetic and natural rubbers. It is also effective in plastics such a Polypropylene, Polyols, ABS, LDPE, HDPE, Polystyrene, PVC, Polybutylene, and hydrocarbon resins; and in oils such as transformer and lubricating oils, fatty acids, transmission fluids, synthetic and specialty oils.</p>
	<p>DOP, DBP, EPOXY, CPW (White Oils)</p>	<p>DOP is a plasticizer used in the production of flexible polyvinyl chloride (PVC) plastic. DOP is one of the most widely used plasticizers in PVC due to its low cost.</p> <p>DBP can be used as a plasticizer in nitrocellulose lacquers, elastomers, explosives, nail polish, and solid rocket propellants. Epoxy plasticisers are used to improve heat stability in the production of PVC articles made by techniques such as extrusion, calendering, injection moulding, rotational moulding and spread coating. They are also used in rubbers, epoxy resins, paints and coatings.</p> <p>CPW is generally used as plasticizer in manufacturing of PVC compounds for Wires and Cables. PVC Tubing pipes used for irrigation, gardening and other industrial works.</p>
	<p>NBS</p>	<p>NBS is almost colourless and Oily liquid, free of foreign materials. Fatty acid ester are used as raw materials of emulsifiers or oiling agent for foods, spin finishes and textiles, lubricants for plastics, paint and ink additives surfactants and base materials for perfumery. They are used as solvents or cosolvents, oil carrier in agricultural industry</p>

	Optical Brightener	Optical Brightener is a high molecular weight fluorescent whitening agent, which significantly improves the whiteness in both textile fibers and plastics. Optical brightener produces very brilliant white with light reddish blue effect which compensate for yellowing. It has good light fastness. Because of its exceptional whitening properties, excellent resistance to heat, low volatility and easy dispersibility, Optical Brightener is now widely used in plastic market. It has good compatibility in various substrates; in combination with dyes, it produces bright shades. Optical Brightener is used in polymer fibers especially polyester and polyamide fibers. It is also widely used in PP, ABS, PS, HIPS, PA, PC, EVA, Rigid PVC etc.
	Calcium Powder	Calcium Powder is used variety in hard PVC plastic and is mostly applied in the production of pipe and ceiling.  Calcium Carbonate Powder is helping to increase the duration of the product, better the dispersion of chemicals, maximize brightness, and innovate production. Therefore, Calcium is an indispensable resource.

## Order Book

As on September 30, 2024, we have Orders in hand aggregating to ₹ 1,555.51 lakhs. We believe that the growth in our Order Book has materialized due to our continued focus on quality and our ability to retain our customers. As of September 30, 2024, our top orders as detailed below:

S. No.	Name of Customers	City	Product Type	Amount (In ₹ Lakh)
1	Customer 1	Rajkot	Super pack One Pack	319.80
4	Customer 2	Rajkot	Super pack One Pack	18.00
5	Customer 3	Rajkot	Impact Modifier	147.38
6	Customer 4	Morbi	Colour Pigment	63.01
7	Customer 5	Rajkot	Super pack One Pack	47.90
8	Customer 6	Jetpur	TIN Stabiliser, Optical Brightener	27.95
9	Customer 7	Morbi	Colour Pigment	53.92
10	Customer 8	Gondal	Tin Stabilizer	18.30
11	Customer 9	Rajkot	Super pack One Pack	90.00
13	Customer 10	Rajkot	DOP	92.33
14	Customer 11.	Rajkot	Super pack One Pack	36.90
16	Customer 12	Rajkot	Super pack One Pack	67.32
17	Customer 13	Rajkot	Super pack One Pack	220.80
18	Customer 14	Rajkot	Super pack One Pack	83.20
19	Customer 15	Veraval	Colour Masterbatches	56.50
20	Customer 16	Veraval	Colour Masterbatches	102.20
21	Customer 17	Rajkot	Super pack One Pack	110.00

Note: The aforesaid details are duly certified by M/s K M Chauhan & Associates, Chartered Accountants, by their certificate dated December 19, 2024 having UDIN: 24154536BKBNNH1978.

## Percentage of our Top 10 Supplier for the respective years:

(₹ In Lakh, except for percentage)

Period	Cost of Material Purchase	Amount Contributions by Supplier	% of Cost of material consumed
<b>Top 10 Supplier</b>			
As at September 30, 2024	2,761.63	2,141.16	77.53
As at March 31, 2024	4,732.30	3,543.78	74.88



As at March 31, 2023	4,041.47	3,428.32	84.83
As at March 31, 2022	2,518.50	1,979.87	78.61

**For the period ended September 30, 2024:**

*(₹ In Lakh, except for percentage)*

Sr. No.	Particulars	Amount	% of Total Cost of Material Purchase
1	Top Supplier 1	592.13	21
2	Top Supplier 2	308.71	11
3	Top Supplier 3	205.68	7
4	Top Supplier 4	189.36	7
5	Top Supplier 5	152.40	6
6	Top Supplier 6	152.28	6
7	Top Supplier 7	149.79	5
8	Top Supplier 8	137.00	5
9	Top Supplier 9	127.58	
10	Top Supplier 10	126.23	5
<b>Total</b>		<b>2,141.16</b>	<b>78</b>

**For the financial year ended March 31, 2024:**

*(₹ In Lakh, except for percentage)*

Sr. No.	Particulars	Amount	% of Total Cost of Material Purchase
1	Top Supplier 1	1,213.14	26
2	Top Supplier 2	461.26	10
3	Top Supplier 3	306.56	6
4	Top Supplier 4	278.54	6
5	Top Supplier 5	271.62	6
6	Top Supplier 6	270.89	6
7	Top Supplier 7	214.46	5
8	Top Supplier 8	197.89	4
9	Top Supplier 9	169.64	4
10	Top Supplier 10	159.78	3
<b>Total</b>		<b>3,543.78</b>	<b>76</b>

**For the financial year ended March 31, 2023:**

*(₹ In Lakh, except for percentage)*

Sr. No.	Particulars	Amount	% of Total Cost of Material Purchase
1	Top Supplier 1	1,231.19	30
2	Top Supplier 2	354.08	9
3	Top Supplier 3	299.15	7
4	Top Supplier 4	286.47	7
5	Top Supplier 5	280.83	7
6	Top Supplier 6	263.76	7
7	Top Supplier 7	253.31	6
8	Top Supplier 8	175.31	4
9	Top Supplier 9	144.17	4
10	Top Supplier 10	139.73	3
<b>Total</b>		<b>3,428.32</b>	<b>84</b>

For the financial year ended March 31, 2022:

(₹ In Lakh, except for percentage)

Sr. No.	Particulars	Amount	% of Total Cost of Material Purchase
1	Top Supplier 1	896.72	36
2	Top Supplier 2	343.84	14
3	Top Supplier 3	206.07	8
4	Top Supplier 4	138.60	6
5	Top Supplier 5	79.74	3
6	Top Supplier 6	67.67	3
7	Top Supplier 7	63.75	3
8	Top Supplier 8	62.18	2
9	Top Supplier 9	61.14	2
10	Top Supplier 10	60.14	2
<b>Total</b>		<b>1,979.87</b>	<b>79</b>

Percentage of our Top 10 Customers of Total Sales for the respective years:

(₹ in Lakhs, except for percentage)

Period	Revenue from Operations	Revenue Contributions of our Customer	% of Total Revenue
<b>Top 10 customers</b>			
As at September 30, 2024	2,885.87	1,179.56	41
As at March 31, 2024	5,226.23	1,988.80	38
As at March 31, 2023	4,166.77	1,425.08	34
As at March 31, 2022	2,678.77	956.45	36%

For the period ended September 30, 2024:

(₹ In Lakh, except for percentage)

Sr. No.	Particulars	Amount	% of the Total Revenue
1	Top Customer 1	219.33	8
2	Top Customer 2	161.36	6
3	Top Customer 3	141.09	5
4	Top Customer 4	120.97	4
5	Top Customer 5	96.88	3
6	Top Customer 6	94.89	3
7	Top Customer 7	89.14	3
8	Top Customer 8	88.04	3
9	Top Customer 9	86.00	3
10	Top Customer 10	81.85	3
<b>Total</b>		<b>1,179.56</b>	<b>41</b>

For the financial year ended March 31, 2024:

(₹ In Lakh, except for percentage)

Sr. No.	Particulars	Amount	% of the Total Revenue
1	Top Customer 1	592.61	11
2	Top Customer 2	263.76	5
3	Top Customer 3	219.24	4
4	Top Customer 4	148.76	3
5	Top Customer 5	139.39	3

6	Top Customer 6	133.06	3
7	Top Customer 7	130.44	2
8	Top Customer 8	128.74	2
9	Top Customer 9	121.29	2
10	Top Customer 10	111.51	2
<b>Total</b>		<b>1,988.80</b>	<b>38</b>

**For the financial year ended March 31, 2023:**

*(₹ In Lakh, except for percentage)*

Sr. No.	Particulars	Amount	% of the Total Revenue
1	Top Customer 1	311.93	7
2	Top Customer 2	199.85	5
3	Top Customer 3	165.80	4
4	Top Customer 4	138.56	3
5	Top Customer 5	138.17	3
6	Top Customer 6	111.92	3
7	Top Customer 7	105.69	3
8	Top Customer 8	87.21	2
9	Top Customer 9	83.56	2
10	Top Customer 10	82.40	2
<b>Total</b>		<b>1,425.08</b>	<b>34</b>

**For the financial year ended March 31, 2022:**

*(₹ In Lakh, except for percentage)*

Sr. No.	Particulars	Amount	% of the Total Revenue
1	Top Customer 1	227.18	8
2	Top Customer 2	110.80	4
3	Top Customer 3	104.98	4
4	Top Customer 4	93.15	3
5	Top Customer 5	88.58	3
6	Top Customer 6	79.42	3
7	Top Customer 7	74.25	3
8	Top Customer 8	61.37	2
9	Top Customer 9	59.82	2
10	Top Customer 10	56.85	2
<b>Total</b>		<b>956.45</b>	<b>36</b>

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## OUR BUSINESS PROCESS FLOW

The Business process typically involve following several steps:



**Purchase of Material:** Procure the necessary raw materials from suppliers for manufacturing/ trading of products.



**Quality Control:** Inspect the raw materials to ensure they meet quality standards and specifications required for the manufacturing process.



**Mixing /Blending:** Combine the raw materials in the appropriate ratios according to the desired formulation. This may involve mixing or blending equipment to ensure homogeneity.



**Processing:** Process the blended mixture through various methods depending on the intended product. This could include heating, cooling, extrusion or other chemical processes.



**Formulation and adjustment:** Monitor and adjust the formulation as necessary to achieve the desired characteristics such as consistency, hardness or melting point.



**Packaging:** Package the final product into suitable containers or packaging materials for distribution and sale.



**Marketing and Sales:** Promote the products through marketing campaigns and sales efforts to attract customers and generate revenue.

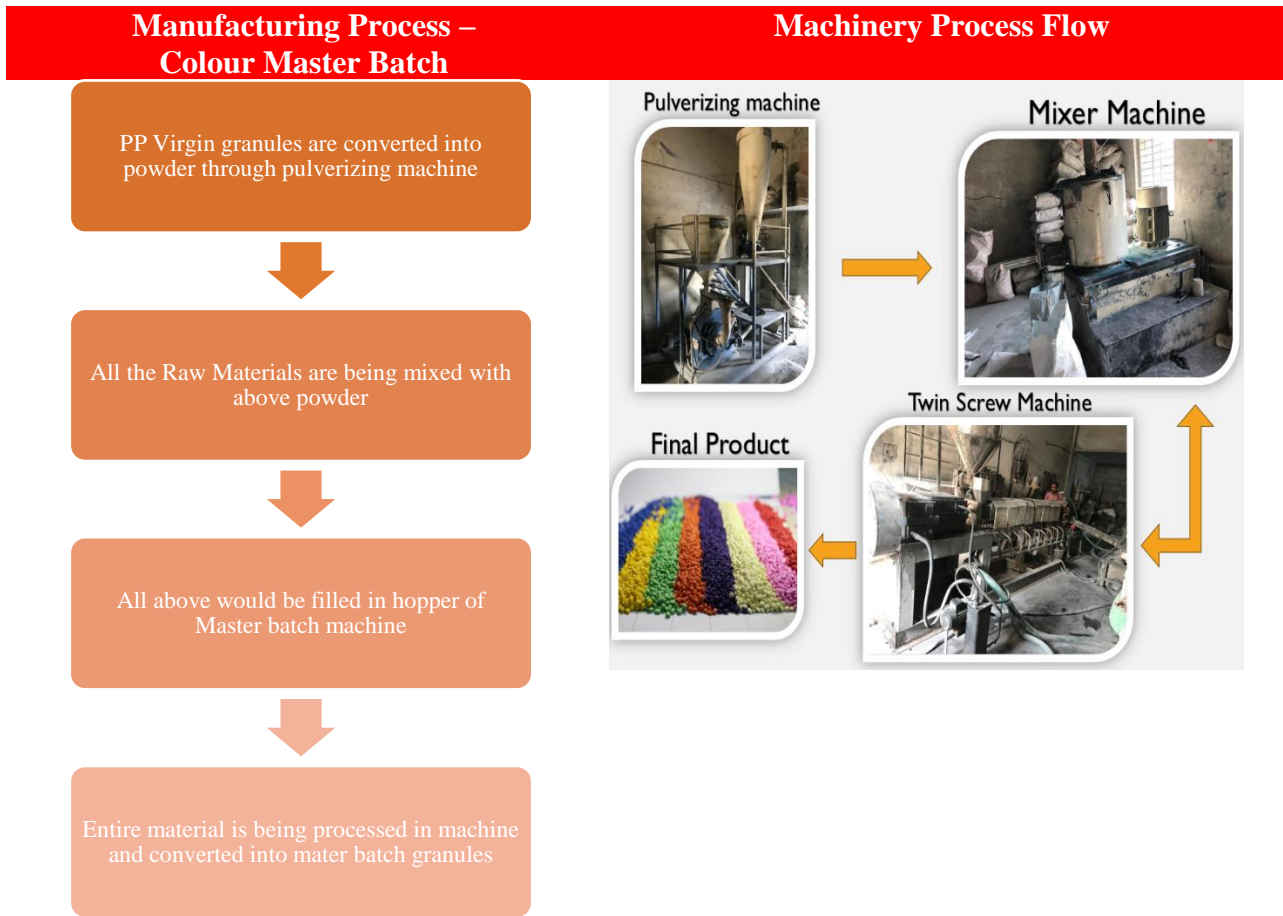


**Customer Service:** Provide support to customers regarding product inquiries, orders, and any issues that may arise.



**Feedback and Improvement:** Gather Feedback from Customers to identify areas for improvement in the manufacturing process or product quality, and implement necessary changes.

## MANUFACTURING PROCESS OF VARIOUS COMPANY PRODUCTS



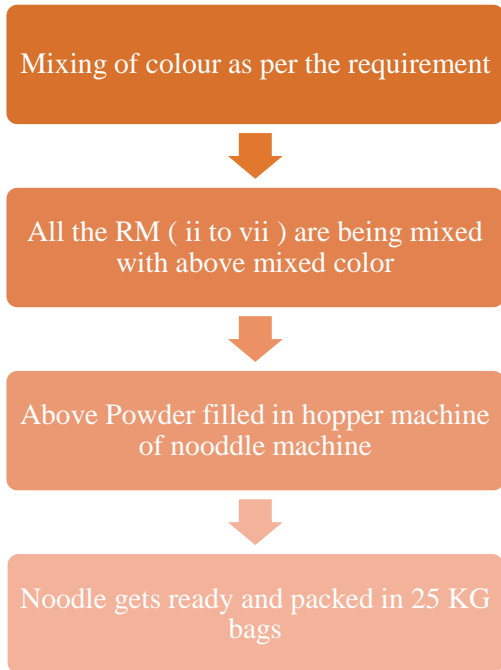
### **Target Industry:**

1. All PVC Pipe Manufacturing Industries
2. Kitchenware Manufacturing Industries
3. All plastic made household items Manufacturing Industries
4. Plastic Furniture Manufacturing Industries
5. PVC Wire and cables Manufacturing Industries
6. Plastic Hardware Manufacturing Industries
7. Toys Manufacturing Industries
8. Non-woven bags Manufacturing Industries

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## Manufacturing Process – Carbon Noodles

## Machinery Process Flow

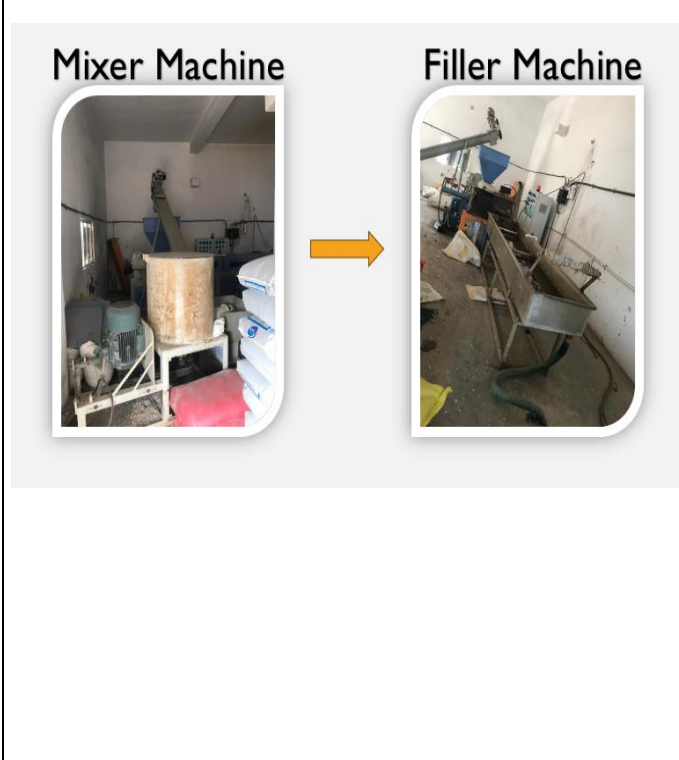
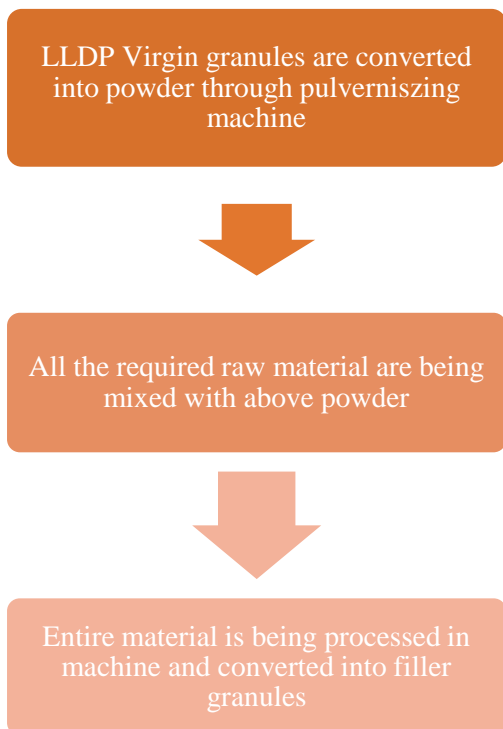


### Target Industry:

1. Black HDP Pipe Manufacturing Industries
2. Sprinkler Pipe Manufacturing Industries
3. All types of Recycling granules Manufacturing Industries

## Manufacturing Process – Filler Granules

## Machinery Process Flow



**Target Industry:**

1. PP (Poly Propylene) Manufacturing Industries
2. Non-woven bags Manufacturing Industries
3. Non-woven Fabrics Manufacturing Industries
4. Plastic Molding Manufacturing Industries
5. Tarpaulin Sheets Manufacturing Industries
6. Plastic Carper Manufacturing Industries

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## Manufacturing Process

Color Pigments	Anti-Moisture Powder	Superpack & One Pack
<pre> graph TD     A[Mixing of color as per the requirement] --&gt; B[All the raw material are being mixed with above mixed color]     B --&gt; C[All above would be filled in Mixture machine]     C --&gt; D[Thereafter packed in desire quantity]             </pre>	<pre> graph TD     A[Mixing of all raw material] --&gt; B[mixed material filled in mixture machine]     B --&gt; C[Final product packed in 1 kg pouch and thereafter packed in 20 kg bags]             </pre>	<pre> graph TD     A[Mixing of all raw materials] --&gt; B[Mixed material filled in mixture machine]     B --&gt; C[Final product gets ready and packed in different 25 KG bags]             </pre>
<p><b>Target Industry:</b></p> <ol style="list-style-type: none"> <li>1. All PVC Pipe Manufacturing Industries</li> <li>2. Kitchenware Manufacturing Industries All plastic made household items Manufacturing Industries</li> <li>3. Plastic Furniture Manufacturing Industries</li> <li>4. PVC Wire and cables Manufacturing Industries</li> <li>5. Plastic Hardware Manufacturing Industries</li> <li>6. Toys Manufacturing Industries</li> <li>7. Non-woven bags Manufacturing Industries</li> </ol>	<p><b>Target Industry:</b></p> <ol style="list-style-type: none"> <li>1. Recycled Granules Manufacturing Industries</li> <li>2. Polyethnic Bag Manufacturing Industries</li> </ol>	<p><b>Target Industry:</b></p> <ol style="list-style-type: none"> <li>1. CPVC Pipe Manufacturing Industries</li> <li>2. UPVC Pipe Manufacturing Industries</li> <li>3. PVC Form board Manufacturing Industries</li> <li>4. Wood Plastic Composite (WPC) board Manufacturing Industries</li> <li>5. PVC Shrink Film Manufacturing Industries</li> <li>6. Form Board Sheet Manufacturing Industries</li> <li>7. PVC Laminates Manufacturing Industries</li> <li>8. Garden Pipes Manufacturing Industries</li> <li>9. PVC Wire and cables Manufacturing Industries</li> </ol>

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## Manufacturing Process

Impact Modifier	Processing Aid & Titanium Dioxide
 <pre>graph TD; A[Mixing of all raw materials] --&gt; B[Impact mixture]; B --&gt; C[Final product gets ready and packed in different 25 kg bags];</pre>	 <pre>graph TD; A[Mixing of all raw materials] --&gt; B[Final product get ready and packed in different 25 kg bags];</pre>
<b>Target Industry:</b> <ol style="list-style-type: none"><li>1. CPVC Pipe Manufacturing Industries</li><li>2. UPVC Pipe Manufacturing Industries</li><li>3. PVC Form board Manufacturing Industries</li><li>4. Wood Plastic Composite (WPC) board Manufacturing Industries</li><li>5. PVC Shrink Film Manufacturing Industries</li><li>6. Form Board Sheet Manufacturing Industries</li><li>7. PVC Laminates Manufacturing Industries</li><li>8. Garden Pipes Manufacturing Industries</li><li>9. PVC Wire and cables Manufacturing Industries</li></ol>	

## Process Flow of Trading of Products



## OUR FACILITIES

<b>Registered Office</b>	307 Sanskar Heights Nr RA, Circle 150 Ft Ring Rd, Mavdi, Rajkot, Gujarat- 360004.
<b>Manufacturing Unit</b>	Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat- 360022.
<b>Warehouse Commercial Purpose</b> /	Shed No 1 & 3 on Plot No. 10, Kothariya Residence No. 238, Rajkot, Gujarat- 360030
	Shed No 4 & 5 on Plot No-10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat- 360030
	Shed No 1 & 2 on Plot No-10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat- 360030
	Shed on Plot No-8/9, Veraval Residence No. 162/3 (Old Residence no.128) Kotada Sangani, Rajkot, Gujarat- 360030

## CAPACITY & CAPACITY UTILISATION

(Figures Metric Tonne per Annum unless mentioned in %)

Product details	September 30, 2024 <sup>#</sup>			March 31, 2024			March 31, 2023			March 31, 2022		
	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%	Installed Capacity	Utilized Capacity	%
Mixture Machine	3,100	2,157	69.58	6,200	5,700	91.94	6,200	3,850	62.10	6,200	1,740	28.06
Filler Extruder Machine	240	216	90.00	480	430	89.58	480	300	62.50	480	190	39.58
Master Batch Extruder Machine	480	445	92.71	960	900	93.75	960	480	50.00	960	260	27.08
Master Batch Pulvrising Machine	540	505	93.52	1,080	970	89.81	1,080	600	55.56	1,080	290	26.85
Carbon Noodle Extruder Machine	390	234	60.00	780	420	53.85	780	524	67.18	780	160	20.51
Moisture Packing	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Air Compressor	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: Figures as per certificate dated November 29, 2024 received from Bhavin Patel & Associates, Chartered Engineer.

#Installed capacity have been proportionately distributed based on the number of months.

## COMPETITION

We enjoy a very good relationship with many of our raw material suppliers, which enables a timely manufacturing and delivery of components. We keep an array of suppliers with us, to ensure that there is no delay in manufacturing and delivery of the component to the customer due to the delay or failure to supply a critical raw material by any supplier. Presently, we have not entered into any long-term supply agreements for sourcing any of our raw materials, and we source our raw materials by entering into short-term supply agreements / purchase orders with our suppliers.

Our aim is to provide branded, standardized, and uniform quality products at competitive prices to our consumers. Many of our competitors have a substantially large capital base and resources than we do and offer a broader range of products. Set forth below are our significant competitors:

- G M Polyplast Limited
- Deep Polymers Limited

## QUALITY ASSURANCE

We prioritize quality control throughout our process. We evaluate the raw materials we get, as well as the products during production and after completion. We've established internal protocols to maintain quality at every stage, from sourcing materials to production and storage. Our manufacturing facility employs staff who monitor equipment parameters, material specifications, report any issues, and make necessary adjustments.

## PRICING

We set the prices for our products based on market demand, our production capacity, transportation costs, inventory levels, competitors' prices and credit terms. A minimum price level is set for each type of products. Our management evaluates the factors affecting our selling price on a regular basis and adjusts our minimum prices when appropriate and also determines the various schemes, offers and discounts applicable on our products. We are generally responsible for transportation costs and include such costs in the sales price. We usually sell our products by prepayment, credit sales etc.

## PRODUCTION MANAGEMENT AND INVENTORY CONTROL

We plan our production and manage the inventory level of our finished products on a monthly basis based on projected sales volumes and make periodic adjustments to the production schedule and volumes based on actual orders received. We closely supervise our daily production and aim to maintain suitable inventory levels of raw materials and finished goods at our manufacturing facility. We maintain different inventory levels for raw materials depending on lead time required to obtain additional supplies.

## SALES & MARKETING

Our company is having an Experienced & Customer Centric Business Development Team right from the Top Management till the on-field executive, whose main aim is to bring the business for the organisation in a right full way. We are selling our product majorly within the state of Gujarat as demand in the area for the product is manifold than the production capacity within the state.

The efficiency of the sales and marketing network is critical to success of our Company. Our success lies in the strength of our relationship with the clients who have been associated with our Company. Our team through their experience and good rapport with these clients owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. To get repeat orders from our customers, our team having adequate experience and competence, regularly interact with them and focus on gaining an insight into the additional needs of customers.

We depend on third-party transportation to receive input/ raw materials required for our products and to deliver our finished products to our customers. We use third-party logistics providers for all of our product distribution and input materials procurement. This makes us dependent on such third-party transportation providers.

Our Company utilizes a diverse network of third-party transporters and not dependent on a single transport provider. In the past our Company has not faced any operational delays caused by the delay in delivery of raw materials. Additionally our Company over the past three fiscals have maintained raw material stock equivalent to 20-25 working days, which equips us to handle any delays in transportation.

Our revenue is as under:

*(₹ in Lakhs, except for percentage)*

Particular	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations	2,885.87	5,226.23	4,166.77	2,678.77

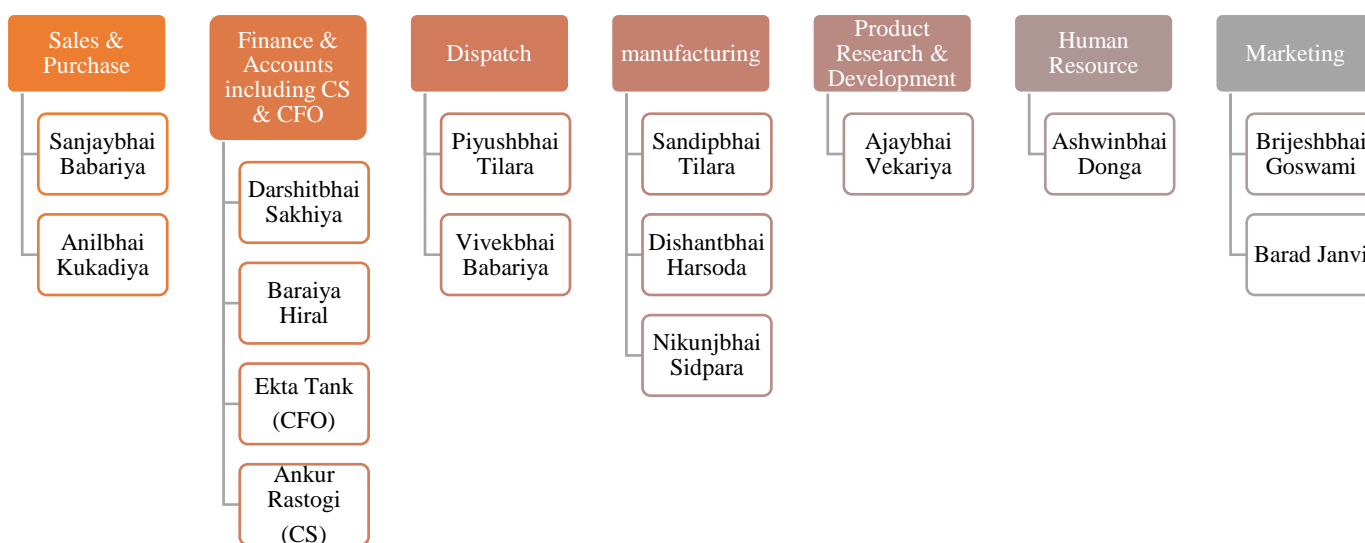
## HUMAN RESOURCES

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business and hence we have a structured organization plan to take care of the growth and motivation aspects of our team. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and

growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

The total strength of manpower as on date of this Draft Red Herring Prospectus is 15 employees excluding directors & our promoters. Category wise details are as under:

Department	No. of Employees
Sales & Purchase	2
Finance & Accounts including CFO & CS	4
Dispatch	2
Manufacturing	3
Product Research & Development	1
Human Resource	1
Marketing	2
<b>TOTAL</b>	<b>15</b>



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## INSURANCE POLICIES

Sr. No.	Location Address	Name of the Insurance Company	Type of Policy and its description	Validity Period	Policy No.	Sum Insured (In ₹)	Premium P.A (In ₹)
<b>1.</b>	<b>R S No. 108, T P No. 21, F P No. 29/P, O.P. No. 29, Pot No. 6 To 12, Office No 306 &amp; 307, 3rd Floor, "Sanaskar Height", Opp. RK Emprie, Nr. Mavdi Chowkdi, Off. 150 Ft Ring Road, Rajkot-Gujarat 360004.</b>						
1.1	Office Premises	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000667	1000000/-	767
<b>2.</b>	<b>R S No. 242 Paiki 1, Plot No. 10, Shed No. 1, Shed No. 2, Veraval, Kotda Sangani, Rajkot 360024, Kotda Sangani, Gujarat-360024</b>						
2.1	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000666	3500000/-	8161
<b>3</b>	<b>R S No. 242 Paiki 1, Plot No. 10, Shed No. 4, Shed No. 5, Veraval, Kotda Sangani, Rajkot 360024, Kotda Sangani, Gujarat-360024</b>						
3.1	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000664	3000000/-	6995
<b>4.</b>	<b>S No 162/3p, Old R S 128p/3, Plot No. 7, 8, 9 And 10 Nr. Kohinoor Manufacturing Co. Rajkot, Off. Rajkot - Gondal Highway, Gujarat- 360024</b>						
4.1	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000668	6500000/-	15156
<b>5</b>	<b>Rs No. 238 Paiki, Plot No. 10, Shed No. 1, Village-Kothariya, Rajkot, Gujarat- 360022</b>						
5.1	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000669	2500000/-	5829
5.2	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000663	1,75,00,000/-	40804
<b>6.</b>	<b>RS No. 238 Paiki, Plot No. 10, Shed No. 2, Village-Kothariya, Rajkot, Gujarat-360022</b>						
6.1	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000670	2500000/-	5829
<b>7.</b>	<b>RS No. 238 Paiki, Plot No. 10, Shed No. 3, Village-Kothariya, Rajkot, Gujarat-360022</b>						
7.1	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000671	25,00,000/-	5829
7.2	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000662	1,75,00,000/-	40804
<b>8.</b>	<b>R S no. 242 Paiki 1, Plot No. 10, Shed no. 1, Shed No. 2, Veraval, Kotda Sangani, Rajkot, Gujarat-360022</b>						

8.1	Stock	Reliance General Insurance Company Limited	Reliance Bharat Sooksham Udyam Suraksha Policy	19 Feb 2024 to 18 Feb 2025	160292421221000661	50,00,000/-	11658
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## EXPORT OBLIGATION

Our Company does not have any outstanding export obligation as on date of this Draft Red Herring Prospectus.

## INFRASTRUCTURE FACILITIES

### 1) Plant & Machinery

The major machinery installed at our factory are as under:

Moisture Packing, Mixture Machine, Filler Extruder Machine, Master Batch Extruder Machine, Master Batch Pulvrising Machine, Carbon Noodle Extruder Machine and Air Compressor.

*Lease/ Rented Plant and Machinery: Nil*

We have invested in the latest technology and upgraded our machinery which has aided us in manufacturing better quality products. Our manufacturing facility has various automated and semi-automated plant and machinery for the manufacturing process, other material preparation tools, handling equipment and quality control lab. Also, our manufacturing facility and registered office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

### 2) Availability of Raw Material and components

We require raw materials for manufacturing of various products as stated below includes:

Sr. No.	Name of Products	Raw Materials
1	Color Masterbatches	<ol style="list-style-type: none"> <li>1. All Colors</li> <li>2. LLDP (PP Vergine Granules)</li> <li>3. Marble Powder (Filler Powder)</li> <li>4. Titanium Dioxide*</li> <li>5. Wax</li> <li>6. Zinc Stearate</li> <li>7. Calcium Zinc Stabilizer (UV stabilizer)</li> <li>8. Anti-Oxidant</li> <li>9. Calcium Stearate</li> </ol>
2	Color Pigment	<ul style="list-style-type: none"> <li>• Colors</li> <li>• Titanium Dioxide*</li> <li>• Wax</li> <li>• Zinc Stearate</li> <li>• Calcium Zinc Stabilizer (UV stabilizer)</li> <li>• Anti-Oxidant</li> <li>• Calcium Stearate</li> </ul>
3	Filler Granule	<ul style="list-style-type: none"> <li>• LLDP Virgin (PP Vergine Granules)</li> <li>• Calcium Powder</li> <li>• Waxes</li> <li>• CPW (White Oils)</li> <li>• Titanium Dioxide*</li> </ul>
4	Anti-Moisture Powder	<ul style="list-style-type: none"> <li>• Dolomite Powder</li> <li>• Calcium Powder</li> <li>• CPW (White Oils)</li> <li>• PE Wax</li> <li>• Dioctyl Phthalate &amp; Dibutyl Phthalate</li> </ul>
5	Carbon Noodles	<ul style="list-style-type: none"> <li>• Calcium Powder</li> </ul>



		<ul style="list-style-type: none"> <li>• Wax</li> <li>• Dolomite Powder</li> <li>• Chemical Additives</li> </ul>
6	Superpack & Onepack	<ul style="list-style-type: none"> <li>• Resin</li> <li>• Processing AID*</li> <li>• Tin Stabilizer</li> <li>• Impact Modifier*</li> <li>• Titanium Dioxide*</li> <li>• Optical Brightener</li> <li>• Dioctyl Phthalate &amp; Dibutyl Phthalate &amp; CPW (White Oils)</li> <li>• Calcium Powder</li> <li>• Normal Butyl Stearate &amp; Epoxy</li> <li>• Wax Additives</li> </ul>
7	Impact Modifier	<ul style="list-style-type: none"> <li>• Chlorinated Poly ethylene (CPE)</li> <li>• Calcium Powder</li> <li>• Marble Powder</li> <li>• Wax</li> <li>• CPW</li> </ul>
8	Processing AID	<ul style="list-style-type: none"> <li>• Calcium Powder</li> <li>• Marble Powder</li> <li>• Dolomite Powder</li> <li>• Zinc Stearate &amp; Epoxy</li> </ul>
9	Titanium Dioxide	<ul style="list-style-type: none"> <li>• Zinc Stearate</li> <li>• Calcium Stearate</li> <li>• Wax</li> </ul>

\*Products are manufactured by our Company and the same are also use by the Company for manufacturing of other products.

**Details of Raw Materials procured are as follows:**

**a. Domestic Procurement**

*(Figures in Rs. Lakh)*

State	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Punjab	-	-	-	-
Haryana	-	-	-	8.71
Delhi	50.48	80.05	30.29	30.80
West Bengal	45.56	42.80	22.89	-
Gujarat	905.91	1,546.80	632.90	584.36
Dadra and Nagar Haveli	72.90	131.08	269.36	304.34
Rajasthan	58.69	124.30	118.83	64.00
Maharashtra	909.25	2,094.78	1,987.41	1,257.34
Telangana	-	4.51	4.46	28.61
Andhra Pradesh	-	12.19	31.29	-
Tamil Nadu	235.15	-	15.92	-
<b>Total</b>	<b>2,277.97</b>	<b>4,036.53</b>	<b>3,113.36</b>	<b>2,278.17</b>

\*Frieght & transportation cost included

Import of Materials				
Country	September 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
China	219.87	283.36	295.96	51.73
Malaysia	103.39	244.70	157.84	31.63
Vietnam	160.39	167.70	242.76	39.50
Indonesia	-	-	231.54	117.45
<b>Total</b>	<b>483.65</b>	<b>695.75</b>	<b>928.10</b>	<b>240.31</b>

\*Freight & transportation cost included

There is no conflict of interest between the supplier/ vendor of any raw material and our Company, its directors, promoters, promoter group, key managerial personnel or its group companies, if any.

### 3) Power & Fuel

The requirement of power in our manufacturing facility situated at Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat spreading over an area of approx. (4,500 sq. ft) is met through Paschim Gujarat Vij Company Limited. We use generators to meet exigencies to ensure that our facility is operational during power failures.

### 4) Water

Water is required for human consumption at our registered office and manufacturing unit. Adequate water through Municipal Authority supply is available at our registered office. The requirement of water for human purposes at the manufacturing unit is sourced from water tankers.



### PROPERTY DETAILS

*Property taken on Rent by our company:*

S. No.	Particular of the property description	Name of Lessor	Interest with Company	Area (sq ft)	Rent Amt (In ₹)	Tenure of Lease	Usage
1.	307, Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004	Bhaveshbhai Mansukhbhai Harsoda	Promoter of Company	380	6,000/- per month	11 months wef July 01, 2024	Registered Office
2.	Shed on Plot No. 34, R S No. 238, Kothariya, Rajkot, Gujarat	M/s Ripal Polymers	Entity in which promoter Interested	4500	6,000/- per month	11 months wef July 01, 2024	Manufacturing Unit
3.	Shed No 1 & 3 on Plot No. 10, Kothariya Residence no. 238, Rajkot, Gujarat.	Hetalben Bhaveshbhai Harsoda	Wife of Promoter of Company	1600	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose

4.	Shed No 4 & 5 on Plot No- 10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat	Bhaveshbhai Mansukhbhai Harsoda	Promoter of Company	3600	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
5.	Shed No 1 & 2 on Plot No-10, Veraval Residence no. 242, Paiki 1, Kotda Sangani, Rajkot, Gujarat	Bhaveshbhai Mansukhbhai Harsoda	Promoter of Company	4000	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose
6.	Shed on Plot No-8/9, Veraval Residence No. 162/3 (Old Residence no.128) Kotada Sangani, Rajkot, Gujarat	Bhaveshbhai Mansukhbhai Harsoda	Promoter of Company	2500	6,000/- per month	11 months wef July 01, 2024	Warehouse Purpose

#### INTELLECTUAL PROPERTIES

Trademark	Application No.	Class of registration	Trademark type	Date of Application	Status
Renol Polychem Limited	6533254	17		July 19, 2024	Formalities Check-pass
Renol Polychem Limited	6753123	2		December 11, 2024	Application Filed

#### COLLABORATION/ TIE-UPS/ JOINT VENTURE DETAILS

As on date of this Draft Red Herring Prospectus, our Company has not entered into any technical or other Collaboration / Tie Ups / Joint Ventures.

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## KEY 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. 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 are 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 number 242 of this Draft Red Herring Prospectus.

### LAWS IN RELATION TO OUR BUSINESS

#### ***The Micro, Small and Medium Enterprises Development Act, 2006***

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Act was enacted. With effect from July 01, 2020 the Manufacturing enterprises and enterprises rendering Services have been re-classified as Micro enterprise, where the investment in plant and machinery does not exceed Rs.1 Crore and annual turnover does not exceed Rs. 5 Crore; Small enterprise, where the investment in plant and machinery does not exceed Rs.10 crore and annual turnover does not exceed Rs. 50 Crore; a Medium enterprise, where the investment in plant and machinery does not exceed Rs. 50 crore and annual turnover does not exceed Rs. 250 Crore.

#### ***Consumer Protection Act, 2019 (“Consumer Protection Act”) and the rules made thereunder***

The Consumer Protection Act, which repeals the Consumer Protection Act, 1986, was designed and enacted to provide for timely and effective administration and settlement of consumer disputes. It seeks, *inter alia*, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons who buy goods or avail services by offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal commissions for the purposes of redressal of consumer grievances. In addition, under the Consumer Protection Act, in cases of misleading and false advertisements, a manufacturer or service provider who causes a false or misleading advertisement to be made which is prejudicial to the interest of consumers can be punished with imprisonment for a term which may extend to two years and with fine which may extend to ten lakh rupees.

#### ***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication, commonly referred to as “electronic commerce”, involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents, and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or

Information) Rules, 2011 (“**IT Security Rules**”) prescribe directions for the collection, disclosure, and transfer of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate or person who on behalf of the body corporate receives, stores or handles information to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, publishing such policy on its website.

The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

## **TAX RELATED LEGISLATIONS**

### ***Income Tax Act, 1961***

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company which is assessed for income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

### ***Goods and Services Tax Act, 2017***

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

## **INTELLECTUAL PROPERTY LAWS**

Certain laws relating to intellectual property rights under the Trade Marks Act, 1999 and the Designs Act, 2000 are applicable to us.

### ***Trade Marks Act, 1999 (“Trade Marks Act”)***

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to register trademarks applied for in India and to provide for better protection of trademarks for goods and services and also to prevent use of fraudulent marks. Application for the registration of trademarks has to be made to the Trade Marks registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. The Trade Marks Act prohibits any registration of trademarks which are identical/similar to other trademarks or commonly used names of chemical compounds among others. It also provides for penalties for falsifying and falsely applying trademarks and using them to cause confusion among the public. The Trade Marks Act provides for civil remedies in the event of infringement of registered trademarks or for passing off, including injunction, damages, account of profits or delivery-up of infringing labels and marks for destruction or erasure.

### ***The Copyright Act, 1957***

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years. The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

### ***Designs Act, 2000 (“DA”) and the Designs Rules, 2001 (“DR”)***

The DA regulates and protects the originality of an article’s design and prohibits the piracy of registered designs. The Central Government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc.

## **GENERAL CORPORATE LAWS**

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

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of the President of India on 29th August 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 Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private companies into public companies and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors, winding up, voluntary winding up, and appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

### ***The Sale of Goods Act, 1930***

The Sale of Goods Act, 1930 governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyers and sellers, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

### ***The Registration Act, 1908***

The Registration Act, 1908 (“Registration Act”) was enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. The Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property and a lease of immovable property for any term exceeding one year or reserving a yearly rent. It also provides for non-compulsory registration of documents as enumerated in the provisions.

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

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### ***The Specific Relief Act, 1963***

The Specific Relief Act is complementary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for the purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means the Court will order the party to perform his part of the agreement, instead of imposing on him any monetary liability to pay damages to another party.

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

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. To ensure prompt remedy against defaulters and to ensure credibility of the holders of the negotiable instrument a criminal remedy of penalty was inserted in Negotiable Instruments Act, 1881 in form of the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment), 1988 which were further modified by the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheques not being honored by their bankers and returned unpaid. Section 138 of the Act, creates statutory offense in the matter of dishonor of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two years, or with fine which may extend to twice the amount of the cheque, or with both.

### ***Competition Act, 2002***

The Act is to prevent practices having adverse effects on competition, to promote and sustain competition in markets, to protect interest of consumers and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

### ***Industrial Disputes Act, 1947 ("ID Act") and Industrial Dispute (Central) Rules, 1957***

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labthe legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases.

Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lockouts, closures, lay-offs and retrenchment.



## **FOREIGN INVESTMENT LAWS**

### ***The Foreign Trade (Development and Regulation) Act, 1992 and the rules framed thereunder (“FTA”)***

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the foreign trade policy and to keep amending the same on a timely basis. The government has also been given wide powers to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer exporter code (“**IEC**”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is suspended or cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract a penalty under the FTA.

### ***The Foreign Exchange Management Act, 1999 (“FEMA”) and regulations framed thereunder***

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent 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 warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

With effect from April 1, 2020, the aggregate limit for investment by FPIs shall be the sectoral caps applicable to Indian companies as laid out in paragraph 3(b) of Schedule I of FEMA Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants provided that such aggregate limit may be decreased by the Indian company concerned to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020. Further, the Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively. However, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold. The aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24%. Further, in accordance with Press Note No. 4 (2020 Series), dated April 17, 2020, issued by the DPIIT, all investments 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, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy.

## **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### ***Stamp Act***

The purpose of the Stamp Act was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the states. Therefore, the State Government of Haryana is empowered to prescribe or alter the stamp duty as per their need.

### ***Municipality Laws***

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade licenses for operating eating outlets and implementation of regulations relating to such licenses along with prescribing penalties for non-compliance.

## **LABOUR LAW LEGISLATIONS**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

### ***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 allow 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 by 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 thereunder.

- ***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 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.

### ***The 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 9 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 relevant laws that the code shall subsume, are currently as follows:

- ***Employees' 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 Employee's Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employee's Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations. 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 7 days of death/serious bodily injury.

- ***Employees' 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. Employers and employees both are required to make contributions to the fund. The return of the contribution made is required to be filed with the Employees' State Insurance Corporation.

- ***Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act)***

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 an 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 10 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 10 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 10 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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) 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 constitute an "Internal Complaints Committee" and every officer and member of the Committee 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, organising 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 occupations and to regulate the conditions of work of children in certain other occupations. 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.

## **ENVIRONMENTAL REGULATIONS**

***The Environment Protection Act, 1986 ("Environment Protection Act")***

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a framework for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from

discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

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

Air (Prevention and Control of Pollution) Act 1981 was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

### ***The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)***

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

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

The Water (Prevention and Control of Pollution) Act 1974 was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

### ***National Environmental Policy, 2006***

The 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 the 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 resource is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resource obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

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

## **INDUSTRIES SPECIFIC LAWS**

### ***Plastic Waste Management Rules, 2016***

The Plastic Waste Management Rules, 2016, emphasize the responsibility of producers, importers, and brand owners to manage the lifecycle of plastic waste. These entities are required to establish a system for collecting and processing the plastic waste generated by their products. As part of compliance, producers must formulate an EPR plan and get it approved by the relevant State Pollution Control Board (SPCB) or Pollution Control Committee (PCC). The plan should outline the mechanism for collecting back the plastic waste and its further disposal in an environmentally sound manner. The rules mandate that local bodies, including municipalities and gram panchayats, are responsible for ensuring the segregation, collection, processing, and disposal of plastic waste. Producers are required to work in conjunction with these bodies. It is obligatory for producers to ensure that recycled plastic or products are free from contamination and meet the standards set by the Bureau of Indian Standards (BIS). The use of recycled plastic for food packaging is strictly prohibited under these rules. The rules require the gradual phasing out of plastic carry bags and multi-layered plastics that are not easily recyclable. Producers are encouraged to design products with minimal environmental impact.

### ***Bureau Of Indian Standards (BIS) Act, 2016***

The BIS Act, 2016, mandates that specific rubber and plastic products must adhere to the quality and safety standards established by the BIS. This ensures that products meet minimum safety standards, thus protecting consumers from substandard goods. The Government of India, under certain Quality Control Orders (QCOs), mandates BIS certification for specific plastic and rubber products to ensure their safety and reliability. Non-compliance with these orders can result in penalties and the prohibition of sale within the country. Products that are BIS-certified must carry the standard mark. This ensures transparency and enables consumers to make informed choices.

### ***The Factories Act, 1948:***

This act mandates the implementation of safety, health, and welfare measures in factories. Companies must provide a safe working environment, including adequate lighting, ventilation, and sanitation facilities. Emergency measures, such as firefighting equipment and first aid, are also compulsory. Regular safety audits are required to ensure compliance with the act. Non-compliance can lead to penalties, including the shutdown of operations.

### ***The Explosives Act, 1884, and Petroleum Act, 1934:***

These acts regulate the handling, storage, and transportation of hazardous chemicals and materials. Companies handling such materials must obtain the necessary licenses and adhere to stringent safety protocols to prevent accidents.

### ***The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016***

These rules govern the generation, handling, storage, and disposal of hazardous waste. Companies must obtain authorization from the SPCB to manage hazardous waste and comply with prescribed safety measures. Companies are required to maintain detailed records of hazardous waste, including its generation, storage, transportation, and disposal. A manifest system must be used to track the movement of hazardous waste. The rules also regulate the import and export of hazardous waste. Companies must comply with international conventions and obtain prior approval from the MoEF&CC for such activities.

### ***The Energy Conservation Act, 2001***

The act promotes energy efficiency in industrial operations. Designated consumers, such as large manufacturing units, are required to conduct regular energy audits and implement measures to reduce energy consumption. Companies must

submit energy consumption reports to the Bureau of Energy Efficiency (BEE) and implement recommended measures to improve energy efficiency.

### ***Legal Metrology Act, 2009***

The Legal Metrology Act ensures accurate measurement and labeling of products. Companies must comply with standards for weights and measures, ensuring that consumers receive accurate information about the quantity of goods they purchase. The Act mandates regular inspections by the Legal Metrology Department to ensure compliance. Non-compliance can result in fines, product recalls, or legal action.

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## HISTORY AND CORPORATE STRUCTURE

### Brief history of our Company:

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad (Gujarat). Subsequently, the name of our company was changed from “**Renol Polychem Private Limited**” to “**Renol Polychem Limited**” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U22209GJ2024PLC147599. For details of incorporation, change of registered office of our Company, please refer to the section title “**History and Corporate Structure**” on page no 178 of this Draft Red Herring Prospectus.

### Initial Subscribers to the Company:

Mr. Bhaveshbhai Mansukhbhai Harsoad and Mr. Naitik Bhaveshbhai Harsoda were the initial subscriber to the Memorandum of Association of the 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 Statements as Restated**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page no 141, 115, 183, 205 and 223 respectively of this Draft Red Herring Prospectus.

### Address:

<b>Registered Office</b>	307 Sanskar Heights NR RA, Circle 150 FT Ringh RD, Mavdi, Rajkot, Gujarat- 360004
<b>Factory</b>	Shed on Plot No-34, R S No. 238, Kothariya, Rajkot, Gujarat- 360022

### Changes in Registered Office of the Company since Incorporation:

Details of change in our registered office of our Company since incorporation is as follows:

<b>Event Date</b>	<b>From</b>	<b>To</b>
July 27, 2024	305 Sanskar Heights Nr Ra, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004	307 Sanskar Heights Nr RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004

### 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 carry on business of manufacturing, processing, extrusioning, moulding, colouring, dipping, processing, exporting, importing, buying, selling, dealing as agents, distributors and dealers of plastic granuals, colour masterbatches, colour pigment, filer granule, anti-moisture powder, carbon powder, carbon noodles resins rubber materials including polythelene, polyvinyl, cellulose acetate, moulding powder, polystyrence, PET, chloride polypropytene and copolymer materials, polyol, isocyanate, chemicals as tin stabiliser, impact modifier, processing aid, one pack stabiliser, titanium dioxide, waxes and lubrication, stearic acid, calcium zinc stabilizer, zinc stearate, calcium stearate, anti-oxidant, dop, dbp, epoxy, cpw, nbs optical brightener, calcium powder.*
- To carry on business of manufacture, process, buy, sell, exchange, alter, improve, import or export or otherwise, deal in all kinds of Plumbing products, CPVC/UPVC pipes and Fittings, SWR pipes and fittings, Conduit pipes an d fittings, garden pipes and fittings , Agriculture Pvc pipes and fittings, Drip irrigations & sprinklers systems, Coleman pipes, cables, wiring systems, lightings Accessories, Switches & Accessories, CP metal Bath Fittings, Fosters, pvc bath fittings, Pvc Packaging material, like straps, films, adhesive taps etc.*

### **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:

<b>Date of Meeting</b>	<b>Type of Meeting</b>	<b>Amendments</b>
January 31, 2024	EGM	Clause V of the Memorandum of Association was amended to reflect increase in the authorized share capital of the Company from ₹50.00 Lakh divided into 5,00,000 Equity Shares of ₹10/- each to ₹9.00 Crore divided into 90,00,000 Equity Shares of ₹10/- each.
March 13, 2024	EGM	Alteration in Memorandum of Association due conversion of Company from Private Limited to Public Limited and consequent change in the name of the Company by deletion of the word "Private" i.e. "Renol Polychem Private Limited" to "Renol Polychem Limited".
March 15, 2024	EGM	Alteration in Main Objects of Memorandum of Association.

### **Major events and milestones of our Company:**

The table below sets forth some of the major events in the history of our company:

<b>Year/ F.Y.</b>	<b>Key Events/ Milestone Achievement</b>
2024	Incorporation of our Company as "Renol Polychem Private Limited" under the Companies Act, 2013.
2024	Conversion of the Company from Private Limited to Public Limited i.e. "Renol Polychem Private Limited" to "Renol Polychem Limited".

### **Adopting new Articles of Association of the Company**

Our Company was originally incorporated on January 09, 2024 under the provisions of the Companies Act, 2013 and rules framed thereunder.

Company has adopted the New Article of Association of the Company vide passing Special Resolution in the Extra Ordinary General Meeting of member of the Company on August 02, 2024.

### **Other details about our Company:**

For details of our Company's activities, products, growth, capacity, 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 page no 141, 223 and 106 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 no 183 and 72 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 no 72 of the Draft Red Herring Prospectus. For details of our Company's debt facilities, see "Financial Indebtedness" on page no 235 of the Draft Red Herring Prospectus.

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

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

### **Our Holding Company:**

As on the date of the Draft Red Herring Prospectus, our Company is not a subsidiary of any company.

## **Details regarding Acquisition of Business/Undertakings, Mergers, Amalgamation, Revaluation of Assets etc.**

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad (Gujarat). Except this 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 no 238 of this Draft Red Herring Prospectus, there are no injunctions/restraining orders that have been passed against the Company.

### **Number of shareholders of our Company:**

Our Company has 7 (Seven) 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 no 72 of the Draft Red Herring Prospectus.

### **Changes in the Management:**

For details of change in Management, please see chapter titled “**Our Management**” on page no 183 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.

### **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.

### **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.

### **Guarantees given by our Promoter & Promoter Group**

Below are the details of immovable properties by way of guarantees extended by our Promoter namely Mr. Bhaveshbhai Mansukhbhai Harsoda and Promoter Group namely Mansukhbhai Harsoda and Hetalben Bhaveshbhai Harsoda with the respect to certain credit facility availed by the Company as mentioned above:

Security Details	Description/ Property Details	Security Provider	Lenders Name	Loan (In ₹ Lakh)	Purpose
Industrial Land & Building	Shed No. 4 & 5 on Plot No-10, of Veraval R S no. 242, Paiki 1, Kotada Sangani, Rajkot-360030	Bhaveshbhai Mansukhbhai Harsoda	IndusInd Bank Ltd	995.00	Cash Credit- 995  Pre-shipment credit (EPC/ PCFC- (100)  Post-shipment credit (FBP/ FBD/PSFC- (100)  Letter of Credit- (200)  Buyer Credit- (300)  Total Fund Based- 995  Total Non-Fund Based- 0
Commercial Land & Building	R S No. 108, T P No. 21, F P No. 29/P, O.P. No. 29, Plot No. 6 to 12, Office No 306 & 307, 3rd Floor, Sanaskar Height", Opp. RK Emprle, Nr. Mavdl Chowkdi, Off. 150 ft Ring Road, Tal. & Oist.: Rajkot, State: Gujarat- 360004	Bhaveshbhai Mansukhbhai harsoda	IndusInd Bank Ltd		
Industrial Land & Buliding	Shed No. 1 & 2 on Plot No. 10 Veraval, R. S no. 242, Paiki 1, Kotada Sangani, Rajkot- 360030	Bhaveshbhai Mansukhbhai Harsoda	IndusInd Bank Ltd		
Residential Land & Building	R.S. No. 395/1 & 395/2 Paiki, T.P.S. No. 4(Rajkot), F.P. No. 1018 Paiki, Plot No. 59 Paiki, Nr. Sagar Community Hall, Off. New Papaiya Vadi Main Road, At: Rajkot, Tal. & Dist. Rajkot, Gujarat- 360004	Bhaveshbhai Mansukhbhai harsoda	IndusInd Bank Ltd		
Industrial Land & Building	RS No. 238 Paiki Plot No. 10 Shed No. 3 Village Kohariya Rajkot – 360022	Hetalben Bhaveshbhai Harsoda	IndusInd Bank Ltd		
Industrial Land & Building	RS No. 199 Old RS no. 150/1, P1/P2 Plot No. 4& 5 K K Auto Forge, Vedant Industrial Area Near Muktidham Shapar Veraval Rajkot-360024	Mansukhbhai Harsoda	IndusInd Bank Ltd		
Industrial Land & Building	RS No. 238 Paiki Plot No.10 Shed No. 1 Village	Hetal Harsoda	IndusInd Bank Ltd		

	Kohariya Rajkot - 360022				
Industrial Land Buliding	RS No. 238 Paiki Plot No.10 Shed No. 2 Village Kohariya Rajkot - 360022	Hetal Harsoda	IndusInd Bank Ltd		

**Strategic or Financial Partners:**

Except as disclosed in this Draft Red Herring Prospectus, 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 Drat Red Herring Prospectus.

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## OUR MANAGEMENT

### Board of Directors

In terms of our Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors. As on the date of this Draft Red Herring Prospectus we have 5 (Five) Directors on our Board.

The following tables 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, DIN, Designation, Age, Date of Birth, Father Name, PAN, Nationality, Address, Experience, Occupation, Qualification, Current Term and Date of Appointment	Other Directorships
<b>Bhaveshbhai Mansukhbhai Harsoda</b> <b>DIN:</b> 09236516 <b>Designation:</b> Managing Director <b>Age:</b> 44 Years <b>Date of Birth:</b> 13/02/1980 <b>Father Name:</b> Mansukh Devjibhai Harsoda <b>PAN:</b> ABNPH9743H <b>Nationality:</b> Indian <b>Address:</b> Papaiya Vadi-4, Haridwar Socaytini Same, Near Sagar Holl, Rajkot, Bhaktinagar, Gujarat – 360002 <b>Experience:</b> 15 Years <b>Occupation:</b> Business <b>Qualification:</b> Senior Secondary <b>Current Term:</b> For a period of 3 years and liable to retire by rotation <b>Date of Appointment:</b> June 21, 2024	<b>Directorships in Other Companies:</b> a) Ramev Polyplast Private Limited b) Renol Foods Private Limited c) Vibrant Industrial Park Limited  <b>Partnerships:</b> a) M/s Ripal Polymers
<b>Naitik Bhaveshbhai Harsoda</b> <b>DIN:</b> 10404190 <b>Designation:</b> Director <b>Age:</b> 20 Years <b>Date of Birth:</b> 13/02/2004 <b>Father Name:</b> Bhaveshbhai Mansukhbhai Harsoda <b>PAN:</b> BMVPH9533D <b>Nationality:</b> Indian <b>Address:</b> Papaiya Vadi-4, Haridwar Society Same, Near Sagar Holl, Rajkot, Gujarat – 360002 <b>Experience:</b> 4 Years <b>Occupation:</b> Business <b>Qualification:</b> Senior Secondary <b>Current Term:</b> From January 09, 2024 and liable to retire by rotation <b>Date of Appointment:</b> January 09, 2024	<b>Directorships in Other Companies:</b> <ul style="list-style-type: none"> <li>• Ramev Polyplast Private Limited</li> </ul>
<b>Anjali Hukambhai Jeshani</b> <b>DIN:</b> 10692753 <b>Designation:</b> Non-Executive Non-Independent Director <b>Age:</b> 25 Years <b>Date of Birth:</b> 19/12/1999 <b>Father Name:</b> Hukambhai Jeshani <b>PAN:</b> CLQPJ8289K <b>Nationality:</b> Indian <b>Address:</b> Kevdavadi-10, Laludi Hokli, Rajkot, Gujarat – 360003 <b>Experience:</b> 4 Years <b>Occupation:</b> Service <b>Qualification:</b> Bachelors of Commerce from Saurashtra University and Master of Commerce from Saurashtra University <b>Current Term:</b> From July 03, 2024 and liable to retire by rotation <b>Date of Appointment:</b> July 03, 2024	<b>Directorships in Other Companies:</b> <ul style="list-style-type: none"> <li>• Krupalu Metals Limited</li> </ul>
<b>Anandbhai Nalinbhai Pathak</b>	<b>Directorships in Other Companies:</b>

<p><b>DIN:</b> 10543800  <b>IDDB Reg. No.:</b> IDDB-DI-202404-057074  <b>Designation:</b> Independent Director  <b>Age:</b> 46 Years  <b>Date of Birth:</b> 22/08/1978  <b>Father Name:</b> Nalinbhai Natvarlal Pathak  <b>PAN:</b> BCZPP9533M  <b>Nationality:</b> Indian  <b>Address:</b> Gangabhuvan Harikrushn Nagar – 2, Jasdan, Rajkot, Gujarat - 360050  <b>Experience:</b> 10 Years  <b>Occupation:</b> Professor  <b>Qualification:</b> Bachelor of Commerce from Saurashtra University and Bachelor of Laws from Saurashtra University.  <b>Current Term:</b> From March, 11, 2024 to March, 10, 2029  <b>Date of Appointment:</b> March 11, 2024</p>	<ul style="list-style-type: none"> <li>• Krupalu Metals Limited</li> </ul>
<p><b>Nikita Gaurav Tank</b>  <b>DIN:</b> 10555187  <b>IDDB Reg. No.:</b> IDDB-DI-202404-057852  <b>Designation:</b> Independent Director  <b>Age:</b> 33 Years  <b>Date of Birth:</b> 08/11/1991  <b>Father Name:</b> Mansukhbhai Ramjibhai Chavda  <b>PAN:</b> AVMP9007C  <b>Nationality:</b> Indian  <b>Address:</b> Chotunagar 1, Behind Hanuman Madhi, Raiya Road, Rajkot, Gujarat - 360007  <b>Experience:</b> 8 Years  <b>Occupation:</b> Service  <b>Qualification:</b> Bachelor of Commerce and Master of Commerce from Saurashtra University and Master of Business Administration from National Institute of Business Management.  <b>Current Term:</b> From June 21, 2024 to June 20, 2029  <b>Date of Appointment:</b> June 21, 2024</p>	<p><b>Directorships in Other Companies:</b></p> <ul style="list-style-type: none"> <li>• Krupalu Metals Limited</li> </ul>

**Brief profile of our directors:**

- Bhaveshbhai Mansukhbhai Harsoda**, aged 44 years is a seasoned entrepreneur with over a decade of experience in the manufacturing and supply of Color Masterbatches, Industrial Chemicals, Plastic Masterbatches, and Impact Modifiers. He currently serves as the Promoter and Managing Director of Renol Polychem Limited, a prominent supplier of masterbatches and industrial chemical in Gujarat and other regions, boasting a substantial clientele of over 2500 customers. Mr. Bhaveshbhai's career spans 15 years, during which he has demonstrated a deep understanding of production processes, particularly in maintaining high standards of product quality. His expertise also extends to strategic procurement, where he has consistently secured raw materials at competitive prices, contributing to the company's operational efficiency and cost-effectiveness. With a proven track record in both production and procurement, Mr. Bhaveshbhai plays a pivotal role in driving Renol Polychem Limited's growth and maintaining its position as a leader in the industry.
- Naitik Hiteshbhai Harsoda**, aged 20 years, assumed the pivotal roles of Promoter and Director within our esteemed Company. Naitik embarked on his entrepreneurial journey at a remarkably young age as an employee and undertaken the role of business development and involved in day to days affairs of the Company. His contributions are multifaceted; he adeptly oversees the Sales & Marketing strategies for our products, purchase and management, leveraging his innate business acumen to growth and market presence. His early immersion in both operational and strategic aspects of our Company underscore his dedication and invaluable contributions to our organizational success.
- Anjali Hukumbhai Jeshani**, aged 25 years, has recently assumed the role of Non-Executive Director within our esteemed Company. Armed with a Bachelor of Commerce followed by a Master of Commerce from Saurashtra University, Ms. Anjali brings a strong academic foundation to her position. Her professional journey includes

significant experience in accountancy, having served as a Senior Accountant at Dreamaddz, where she honed her skills in financial management and reporting. In her new capacity at our Company, Ms. Anjali's expertise would be invaluable in terms of leveraging her experience in overlooking management's ideas and functioning.

4. **Anandbhai Nalinbhai Pathak**, aged 46 years, has been appointed as an Independent Director of our Company. He has a strong educational background with a Bachelor of Commerce and Bachelor of Laws from Saurashtra University, specializing in Finance and Accounting. Mr. Anandbhai brings extensive industry experience, having been associated with Ravi Education from January 2014 to March 2024. His appointment is a testament to his ability to provide strategic counsel to the Board on pivotal decisions impacting the Company's commercial strategy. With his years of experience and expertise in finance, Anandbhai is well positioned to offer insightful guidance, ensuring sound financial governance and supporting the Company's growth trajectory. His role underscores our commitment to leveraging seasoned professionals to enhance board level oversight and decision making.
5. **Nikita Gaurav Tank**, aged 32 years, has been appointed as an Independent Director of our Company. She holds a Bachelor of Commerce and a Master of Commerce degree from Saurashtra University, and she further enriched her qualifications with a Master of Business Administration from the National Institute of Business Management. Nikita began her professional career in the accounting firm, where she gained valuable insights into finance and accounting. Ms. Nikita Gaurav Tank having been associated with Shri Chanakya Madhamik School from January 2016 to March 2024 in finance department. Her experience has equipped her with the skills to oversee board decision-making and financial management effectively. Nikita's education and hands-on experience make her well-suited to contribute towards the growth of the Company. Her appointment as an Independent Director reflects our commitment to leveraging diverse expertise for informed governance and sustainable growth."

## 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 is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of our Directors are categorized as a wilful defaulter or fraudulent borrower, as defined under Regulation 2(1)(III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d) 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.
- e) None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

## Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with any of our 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

Our Articles of Association, subject to the provisions of clause (c) of Sub-Section (1) of Section 180 of the Companies Act, 2013, authorizes our Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a special resolution passed at an Extra-ordinary General Meeting of our Company held on July 26, 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 ₹50 crores (Rupees Fifty Crores Only).

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the section titled “*Main Provision of Articles of Association*” beginning on page no 308 of this Draft Red Herring Prospectus.

## Compensation of our Managing Director

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

### The following compensation has been approved for Managing Director

#### Bhaveshbhai Mansukhbhai Harsoda: Managing Director

Pursuant to the resolutions passed by our Board and our Shareholders on June 21, 2024, Mr. Bhaveshbhai Mansukhbhai Harsoda was redesignated/re-appointed as Managing Director of the Company for a period of 3 (three) Years with effect from June 21, 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 ₹ 30.00/- Lakhs Per Annum.

## Payment or benefits to Directors

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

Name of Director	Remuneration paid in FY 2023-24 (₹ in Lakhs)
Mr. Bhaveshbhai Mansukhbhai Harsoda	25.00
Mr. Naitik Bhaveshbhai Harsoda	8.00

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

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

## Sitting Fees:

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole-time Directors), not exceeding ₹1.00 Lakh to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved and approved in their meeting dated July 26, 2024 for the payment of an amount not exceeding ₹1.00 Lakh as sitting fees to all Non-executive Directors for attending each such meeting of the Board or Committee thereof.

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

Sr. No.	Name of Directors	No. of Shares Held	Holding in %
1.	Mr. Bhaveshbhai Mansukhbhai Harsoda	40,93,674	74.57
2.	Mr. Naitik Bhaveshbhai Harsoda	13,95,826	25.42
3.	Ms. Anjali Hukambhai Jeshani	Nil	Nil

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of Draft Red Herring Prospectus.*

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

## 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/ KMP
1.	Mr. Bhaveshbhai Hasmukhbhai Harsoda	Father of Mr. Naitik Bhaveshbhai Harsoda
2.	Mr. Naitik Bhaveshbhai Harsoda	Son of Mr. Bhaveshbhai Hasmukhbhai Harsoda

## The following compensation has been approved for Managing Director

Particulars	Bhaveshbhai Hasmukhbhai Harsoda
Appointment/ Change in Designation	June 21, 2024
Current Designation	Managing Director
Terms of Appointment	June 21, 2024 to June 20, 2027
Remuneration	₹30.00 Lakh
Perquisites	-
Compensation paid from January 09, 2024 to March 31, 2024	₹15 Lakh

## INTEREST OF OUR 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 no 183 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 the Directors towards Financial facilities of our Company please refer to **“Financial Indebtedness”** on page no 205 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 Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements with its directors, vendor, shareholder or any other party, which are material and could have adverse effect on investment decision.

Except as stated in this section "**Our Management**" or the section titled "**Financial Statement as Restated Note -V - Related Party Disclosure**" beginning on page no 183 and 205 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:**

There is no conflict of interest between the lessor of the immovable properties and our Company, its directors, promoters, promoter group, key managerial personnel or its group companies, if any.

Except as stated below, 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:

<b>Property</b>	<b>Actual Use</b>	<b>Lessor</b>	<b>Details*</b>
307 Sanskar Heights NR RA, Circle 150 Ft Ring Rd, Mavdi, Rajkot, Gujarat-360004	Registered Office of the Company	Bhavesbhai Mansukhbhai Harsoda	Rent Agreement for a Period of 11 Months wef July 01, 2024 at monthly rent of ₹6,000/- Per Month.
Shed on Plot No- 8/9, Veraval R S No. 162/3 (Old R S no. 128), Kotada Sangani, Rajkot-360030	Warehouse	Bhavesbhai Mansukhbhai Harsoda	Rent Agreement for a period of 11 Months wef July 01, 2024 at a monthly rent of ₹6,000/- per month.
Shed on Plot No- 34, R S No. 238, Kothariya, Rajkot- 360022	Manufacturing Unit	M/s Ripal Polymers	Rent Agreement for a period of 11 Months wef July 01, 2024 at monthly rent of ₹6,000/- per month.
Shed No. 4 & 5 on Plot No-10, of Veraval R S no. 242, Paiki 1, Kotada Sangani, Rajkot-360030	Warehouse	Bhavesbhai Mansukhbhai Harsoda	Rent Agreement for a period of 11 Months wef July 01, 2024 at monthly rent of ₹6,000 Per Month.
Shed No. 1 & 2 on Plot No. 10 Veraval, R. S no. 242, Paiki 1, Kotada Sangani, Rajkot- 360030	Warehouse	Bhavesbhai Mansukhbhai Harsoda	Rent Agreement for a period of 11 Months wef July 01, 2024 at a monthly rent of ₹6,000/- per month.
Shed on Plot No- 1 & 3 on Plot No. 10, Kothariya, Residence No. 238, Rajkot, Gujarat- 360030	Warehouse	Hetal Bhavesbhai Harsoda	Rent Agreement dated July 31, 2024 for a period of 11 Months ending on May 31, 2024 at a monthly rent of ₹6,000/- per month

\*Rent agreements are duly stamped. Such related party transaction has been transacted at arm's length price and are negotiated fairly with the related parties.

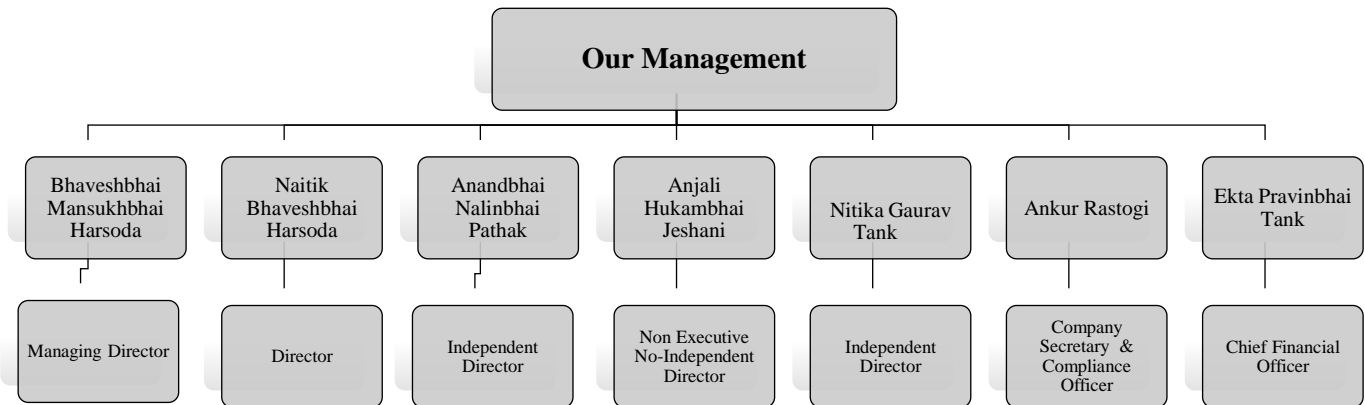
#### **Change in Board of Directors in last 3 years**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Date of Appointment/ Re-appointment</b>	<b>Reasons for change</b>
1.	Bhavesbhai Mansukhbhai Harsoda	January 09, 2024	Appointment as Director
2.	Bhavesbhai Mansukhbhai Harsoda	January 09, 2024	Re-designated as Managing Director
3.	Naitik Bhavesbhai Harshoda	January 09, 2024	Appointment as Director
4.	Anandbhai Nalinbhai Pathak	March 11, 2024	Appointed as Independent Director
5.	Bhavesbhai Mansukhbhai Harsoda	June 21, 2024	Re-designated as Managing Director
6.	Nikita Gaurav Tank	June 21, 2024	Appointed as Independent Director

7.	Anjali Hukambhai Jeshani	July 03, 2024	Appointed as Non-executive Non-Independent Director
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## 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 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the audit committee, stakeholders relationship committee, nomination and remuneration committee and corporate social responsibility committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations. Our Board undertakes to take all necessary steps to continue to comply with all the requirements of Listing Regulations and the Companies Act, 2013.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations. The Board of Directors function either as a full board or through various committees constituted to oversee specific operational areas.

Our Board of Directors consist of Five (5) Directors of which two (2) are Independent Directors, and we have one women director on the Board. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

### Committees of the Board:

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below:

#### a. Audit Committee

Our Company at its Board Meeting held on July 26, 2024 has constituted an Audit Committee (“Audit Committee”) in compliance with the 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in the Committee</b>	<b>Nature of Directorship</b>
Anandbhai Nalinbhai Pathak	Chairman & Member	Independent Director
Nikita Gaurav Tank	Member	Independent Director
Bhaveshbhai Hasmukhbhai Harsoda	Member	Managing Director

The Company Secretary of the Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of the Company to furnish clarifications to the shareholders on any matter relating to accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **A. Tenure**

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. Quorum and meetings of the Audit Committee**

The Audit Committee shall meet at least four (4) times in a year and not more than one hundred twenty (120) days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the Audit Committee, whichever is higher but there shall be presence of minimum two Independent Directors at each meeting.

C. The Company Secretary shall act as the secretary to the audit committee.

#### **D. Role and Powers**

The Role of the Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

#### **The Audit Committee shall have powers, including the following:**

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

#### **The role of the Audit Committee shall include the followings:**

- (1) 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;
- (2) recommendation to the Board for appointment/ re-appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- (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) qualifications and modified opinion(s) in the draft audit report;
- (6) reviewing, with the management, the quarterly/ half yearly 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) approval or any subsequent modification of transactions of the listed entity with related parties with omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  - (9) scrutiny of inter-corporate loans and investments;
  - (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - (11) evaluation of internal financial controls and risk management systems;
  - (12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - (13) reviewing, with the management, 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 or any other person heading the finance function or discharging that function 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; and
- (25) carrying out any other functions as is mentioned in the terms of reference of the audit committee or containing into SEBI (LODR) Regulations, 2015.

Further the Audit Committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## **b. Nomination and Remuneration Committee**

Our Company at its Board Meeting held on July 26, 2024, has constituted the Nomination and Remuneration Committee in compliance with the provisions of Section 178, Schedule V and all other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Nomination and Remuneration Committee comprises following members:

<b>Name of the Director</b>	<b>Status in the Committee</b>	<b>Nature of Directorship</b>
Anandbhai Nalinbhai Pathak	Chairman & Member	Independent Director
Nikita Gaurav Tank	Member	Independent Director
Anjali Hukambhai Jeshani	Member	Non-Executive (Non-Independent) Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

### **A. Tenure**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

### **B. Quorum and meetings of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee shall meet as and when the need arises, subject to at least one meeting in one meeting in a year for review of Managerial Remuneration. The quorum for the meeting shall be one third of the

total strength of the committee or two members, whichever is higher. 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. Scope and Terms of Reference:**

1. formulation of 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 Independent Directors and the Board;
4. devising a policy on Board diversity;
5. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
6. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
8. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
9. recommending to the Board, all remuneration, in whatever form, payable to senior management;
10. performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
11. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
12. analyzing, monitoring and reviewing various human resource and compensation matters;
13. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
14. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
15. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

#### **a. Stakeholders Relationship Committee**

Our Company at its Board Meeting held on July 26, 2024, has approved the constitution of the Stakeholders Relationship Committee in compliance with the provisions of the Section 178(5) and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Chairperson of the Stakeholders Relationship 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. The constituted Stakeholders Relationship Committee comprises the following:

<b>Name of the Director</b>	<b>Status in the Committee</b>	<b>Nature of Directorship</b>
Nikita Gaurav Tank	Chairman & Member	Independent Director
Anandbhai Nalinbhai Pathak	Member	Independent Director
Naitik Bhaveshbhai Harsoda	Member	Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Committee and its terms of reference shall include the following:

#### **A. Tenure**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

#### **B. Quorum and meetings of the Stakeholders Relationship Committee**

The Stakeholders Relationship Committee shall meet as and when the need arises. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher however one independent director shall present in the meeting.

#### **C. Scope and Terms of Reference:**

1. To consider and ensure resolution of the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual reports, non-receipt of dividends, issue of new/duplicate share certificates, general meetings etc;
2. To monitor and review any investor grievances received by the Company through SEBI, BSE, NSE or SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary & Compliance officer and Registrar and Share Transfer Agent of the Company.
3. To consider and review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent ('RTA');
4. To consider and review the measures taken for effective exercise of voting rights by Shareholders.
5. To consider and review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed / unpaid dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
6. To review compliance relating to all securities including dividend payments, transfer of unclaimed amounts or shares to the Investor Education and Protection Fund;
7. To undertake self-evaluation of its own functioning and identification of areas for Improvement towards better governance;
8. To perform such other functions or duties as may be required under the relevant provisions of SEBI Listing Regulations and the Act read with rules made thereunder and as may be specifically delegated to the Committee by the Board from time to time.

#### **Policy on Disclosures & Internal procedure for prevention of Insider Trading:**

The provisions of Regulation 8 and 9 of the SEBI (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 SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted at their meeting held on September 26, 2023 the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies,

procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

### **Policy for determination of Materiality and Materiality of Related Party Transactions and on dealing with Related Party Transactions**

The provisions of the SEBI (LODR) Regulations will be applicable to our Company immediately upon the listing of Equity Shares of our Company. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, as amended, on listing of Equity Shares. The Board of Directors at their meeting held on July 26, 2024 has approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **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:

<b>Name, Designation &amp; Educational Qualification &amp; Term of office</b>	<b>Age (Years)</b>	<b>Year of Joining</b>	<b>Compensation paid for F.Y. ended 2023-24 (in ₹ Lakhs)</b>	<b>Overall experience (in years)</b>	<b>Previous Employment</b>
<b>Bhaveshbhai Mansukhbhai Harsoda</b> <b>Designation:</b> Managing Director <b>Educational Qualification:</b> Senior Secondary <b>Term of office:</b> 3 years w.e.f. June 21, 2024	44	2024	15	15	Self-employment
<b>Ankur Rastogi</b> <b>Designation:</b> Company Secretary & Compliance Officer <b>Educational Qualification:</b> Company Secretary from Institute of Company Secretaries of India <b>Term of office:</b> w.e.f. July 25, 2024	34	2024	Nil	9	Employment
<b>Ekta Pravinbhai Tank</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> Bachelor of Architecture from Maharshi Dayanand University, Rohtak <b>Term of office:</b> w.e.f. June 21, 2024	32	2024	Nil	6	Employment

### **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

- Bhaveshbhai Mansukhbhai Harsoda** - Please refer to section **“Our Promoter & Promoter Group”** beginning on page no 198 of this Draft Red Herring Prospectus for details.
- Ankur Rastogi** aged 34 years is the Company Secretary of our Company. He is member of Institute of Company Secretary of India. He has over 9 years of distinguished experience in Corporate Governance and legal functions pertaining to Legal Agreement including Corporate Affairs and Governance; Possess a general understanding of strategic goals and plans of organizations, with an ability to make sound judgments in cases of conflict for the betterment of organizations. He has been designated as Company Secretary & Compliance Officer of our Company with effect from July 25, 2024.
- Ekta Pravinbhai Tank** aged is Chief Finance Officer of our Company. She has completed her Master of Commerce in the year 2014. She has 6 years of experience in accounting & taxation, tax planning & strategy. She

has been designated as Chief Financial Officer of our Company with effect from June 21, 2024. She is currently responsible for the overall financial & taxation functions of our Company.

**We confirm that:**

- a. 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 abovementioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Mr. Bhaveshbhai Mansukhbhai Harsoda is 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 September 30, 2024.
- 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 KMPs	No. of Shares held
1.	Mr. Bhaveshbhai Mansukhbhai Harsoda	40,93,674
2.	Ms. Ekta Parvinbhai Tank	Nil
	<b>Total</b>	<b>40,93,674</b>

- h. Presently, we do not have Employee Stock Option Plan/ Employee Stock Purchase Scheme scheme for our employees.

**Nature of any family relationship between our 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/ KMP
1.	Mr. Bhaveshbhai Mansukhbhai Harsoda	Father of Mr. Naitik Bhaveshbhai Harsoda
2.	Mr. Naitik Bhaveshbhai Harsoda	Son of Mr. Bhaveshbhai Mansukhbhai Harsoda

**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/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

**Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation and period	Appointment/ Cessation/ Re-designation	Reasons
1.	Mr. Bhaveshbhai Mansukhbhai Harsoda	Director w.e.f. January 09, 2024	Appointment	To comply with the provisions of the Companies Act, 2013 and to ensure better corporate governance
2.	Mr. Bhaveshbhai Mansukhbhai Harsoda	Managing Director w.e.f. June 21, 2024	Re-designated as Managing Director	To comply with the provisions of the Companies Act, 2013 and to ensure better corporate governance
3.	Ms. Ekta Praveenbhai Tank	Chief Financial Officer w.e.f. June 21, 2024	Appointment	To comply with the provisions of the Companies Act, 2013 and to ensure better corporate governance
4.	Mr. Ankur Rastogi	Company Secretary & Compliance Officer Director w.e.f. July 25, 2024	Appointment	To comply with the provisions of the Companies Act, 2013 and to ensure better corporate governance

### 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 as Restated- Annexure V - Related Party Transactions*” beginning on page no 205 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 –V – Related Party Transactions*” page no 205 of this Draft Red Herring Prospectus.

### Employee Stock Option Plan (ESOP) / Employee Stock Purchase Scheme (ESPS) to Employees

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



## OUR PROMOTER & PROMOTER GROUP

### Our Promoters

The Promoters of our Company are Mr. Bhaveshbhai Mansukhbhai Harsoda, Mr. Naitik Bhaveshbhai Harsoda.

As on date of this Draft Red Herring Prospectus, the Promoters, collectively holds 54,89,500 Equity shares of our Company, representing 99.99% 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 page no 72 of this Draft Red Herring Prospectus.

*Brief Profile of our Promoters is as under:*

	<b>Bhaveshbhai Mansukhbhai Harsoda - Promoter, Managing Director</b>	
	<b>Qualification</b>	Senior Secondary
	<b>Age</b>	44 Years
	<b>Date of Birth</b>	13/02/1980
	<b>Address</b>	Papaiya Vadi-4, Haridwar Socaytini Same, New Sagar Holl, At. Rajkot, Bhaktinagar, Gujarat-360002
	<b>Experience in business &amp; employment</b>	15 Years
	<b>Occupation</b>	Business
	<b>PAN</b>	ABNPH9743H
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Issue)</b>	40,93,674 equity shares & 74.57%
	<b>Other Ventures</b>	<p><b>Directorships in Other Companies:</b></p> <ul style="list-style-type: none"> <li>• Ramev Polyplast Private Limited</li> <li>• Renol Food Private Limited</li> <li>• Vibrant Industrial Park Limited</li> </ul> <p><b>Partner:</b> Ripal Polymers</p> <p><b>HUF:</b> Bhaveshbhai M Harsoda HUF</p> <p><b>Sole Proprietor:</b> Nil</p>
	<b>Naitik Bhaveshbhai Harsoda - Promoter, Director</b>	
	<b>Qualification</b>	Senior Secondary
	<b>Age</b>	20 Years
	<b>Date of Birth</b>	13/02/2004
	<b>Address</b>	Papaiya Vadi-4, Haridwar Socitey Same, Near Sagar Holl, At. Rajkot, Gujarat-360002
	<b>Experience in business &amp; employment</b>	4 Years
	<b>Occupation</b>	Business
	<b>PAN</b>	BMVPH9533D
	<b>No. of Equity Shares &amp; % of Shareholding (Pre-Issue)</b>	13,95,826 equity shares & 25.42%
	<b>Other Ventures</b>	<p><b>Directorships in Other Companies:</b></p> <ul style="list-style-type: none"> <li>• Ramev Polyplast Private Limited</li> </ul> <p><b>Partner:</b> Nil</p> <p><b>HUF:</b> Nil</p> <p><b>Sole Proprietor:</b> Nil</p>

For brief biography of our Individual Promoters, please refer to Chapter titled **“Our Management”** beginning on page no 183 of this Draft Red Herring Prospectus.

### **Confirmations/Declarations:**

In relation to our Individual Promoters, our Company confirms that the PAN, Bank Account Numbers, 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:

1. 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
2. there are no findings/ observations of any of the inspections of the SEBI or any other regulator which are material.
3. refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
4. 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.
5. 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.
6. 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 no 238 of this Red Herring Prospectus.
7. None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### **Interest of our Promoters:**

#### **i. Interest in promotion and shareholding of Our Company:**

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Mr. Bhaveshbhai Mansukhbhai Harsoda and Mr. Naitik Bhaveshbhai Harsoda collectively holds 54,89,500 Equity Shares in our Company i.e. 99.99% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions.

For details, please refer to **Note-V – “Related Party Transactions”** beginning on page no 205 of this Draft Red Herring Prospectus. For details regarding the shareholding of our Promoters in our Company, please see **“Capital Structure”** on page no. 72 of this Draft Red Herring Prospectus.

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

Except as stated below or in the Chapter titled **“Financial Information of the Company – Annexure –V Related Party Transactions”** and **“Our Business”** beginning on page no 205 and 141 of this Draft Red Herring Prospectus:

Property	Actual Use	Lessor	Details*
307 Sanskar Heights NR RA, Circle 150 Ft Ring Rd, Mavdi, Rajkot, Gujarat-360004	Registered Office of the Company	Bhaveshbhai Mansukhbhai Harsoda	Rent Agreement for a Period of 11 Months wef July 01, 2024 at monthly rent of Rs. 6,000/- Per Month.
Shed on Plot No- 8/9, Veraval R S No. 162/3 (Old R S no. 128), Kotada Sangani, Rajkot-360030	Warehouse	Bhaveshbhai Mansukhbhai Harsoda	Rent Agreement for a period of 11 Months wef July 01, 2024 at a monthly rent of ₹6,000/- per month.
Shed on Plot No- 34, R S No. 238, Kothariya, Rajkot- 360022	Manufacturing Unit	M/s Ripal Polymers	Rent Agreement for a period of 11 Months wef July 01, 2024 at monthly rent of ₹6,000/- per month.
Shed No. 4 & 5 on Plot No-10, of Veraval R S no. 242, Paiki 1, Kotada Sangani, Rajkot-360030	Warehouse	Bhaveshbhai Mansukhbhai Harsoda	Rent Agreement for a period of 11 Months wef July 01, 2024 at monthly rent of ₹6,000 Per Month.
Shed No. 1 & 2 on Plot No. 10 Veraval, R. S no. 242, Paiki 1, Kotada Sangani, Rajkot- 360030	Warehouse	Bhaveshbhai Mansukhbhai Harsoda	Rent Agreement for a period of 11 Months wef July 01, 024 at a monthly rent of ₹6,000/- per month.
Shed on Plot No- 1 & 3 on Plot No. 10, Kothariya, Residence No. 238, Rajkot, Gujarat- 360030	Warehouse	Hetalben Bhaveshbhai Harsoda	Rent Agreement dated July 31, 2024 for a period of 11 Months ending on May 31, 2024 at a monthly rent of ₹6,000/- per month

\*Rent agreements are duly stamped. Such related party transaction has been transacted at arm's length price and are negotiated fairly with the related parties.

### **iii. 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 - V on **“Related Party Transactions”** on page no 205 forming part of **“Financial Statement as Restated”** 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 **“Financial Indebtedness”** and **“Financial Statement as Restated”** on page no 235 and 205 respectively of this Draft Red Herring Prospectus.

### **Payment or Benefits to our Promoter and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our promoter and promoter group, please refer chapter titled **“Our Management”** beginning on page no 183 also refer –note -V on **“Related Party Transactions”** on page no 205 forming part of **“Financial Statement as Restated”**.

### **Companies/Firms with which our Promoters have disassociated in the last (3) three years**

Except as mentioned below, none of our promoters have 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.



Name of Promoter	Entity Name	Reason
Bhaveshbhai Mansukhbhai Harsoda	Renol Enterprises	Renol Enterprises converted into Renol Polychem Private Limited.

Other ventures of our Promoter Save and except as disclosed in this section titled **“Our Promoter & Promoter Group”** beginning on page no 198 of this Draft Red Herring Prospectus, there are no other ventures promoted by our Promoters in which they have any business interests/ other interests.

### **Material Guarantees**

Except as stated in the “Statement of Financial Indebtedness” and **“Financial Statement as Restated”** beginning on page 235 and 205 of this Draft Red Herring Prospectus respectively, our Promoter have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

### **Litigation details pertaining to our Promoter**

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 no 238 of this Draft Red Herring Prospectus.

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

Our Promoters, Mr. Bhaveshbhai Mansukhbhai Harsoda, Mr. Naitik Bhaveshbhai Harsoda has an experience of around 15 years and 4 years respectively. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

### **Related Party Transactions**

Except as stated in **“–Note-V Related Party Transactions”** beginning on page no 205 of this Draft Red Herring Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

## **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 Promoter) are as follows:

Relationship	Name of the Relatives	
	Bhaveshbhai Mansukhbhai Harsoda	Naitik Bhaveshbhai Harsoda
Father	Mr. Mansukhbhai Harsoda	Mr. Bhaveshbhai Mansukhbhai Harsoda
Mother	Mrs. Labhuben Harsoda	Mrs. Hetalben Bhaveshbhai Harsoda
Spouse	Mrs. Hetalben Bhaveshbhai Harsoda	NA
Brother	NA	NA
Sister	Mrs. Jignasha Ben Mrs. Manjulaben Mrs. Sumitaben	Ms. Shefali Harsoda
Son	Mr. Naitik Bhaveshbhai Harsoda	NA
Daughter	Ms. Shefali Harsoda	NA



Spouse's Father	Mr. Chhaganbhai Ghava	NA
Spouse's Mother	Mrs. Savitaben Ghava	NA
Spouse's Brother	Mr. Jayeshbhai Ghava	NA
Spouse's Sister	Mrs. Mitalben	NA

## 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	Name of Entities
1.	Any Body Corporate in which 20% or more of the Equity Share Capital is held by Promoter or an immediate relative of the Promoter or a firm or Hindu Undivided Family (HUF) in which Promoter or any one or more of his immediate relatives are a member.	<ul style="list-style-type: none"> <li>• Renol Foods Private Limited</li> <li>• Ramev Polyplast Private Limited</li> <li>• Vibrant Industrial Private Limited</li> </ul>
2.	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	Nil
3.	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	1. Ripal Polymers (Partnership Firm).

## 3. Other persons included in Promoter Group:

None of the other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations, 2018.

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## **GROUP ENTITIES OF OUR COMPANY**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with which there were related party transactions as per the Restated Financial Statements of our Company and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated December 05, 2024 for the purpose of disclosure in relation to Group companies in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfills both the below mentioned conditions:

- a. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations; and
- b. Our Company has entered into one or more transactions with such company exceeding 10% of total revenue of the Company as per Restated Financial Statements.

There is no company which is considered material by the Board of Directors of our Company to be identified as Group Company. No equity shares of our group entities are listed on any of the stock exchange and they have not made any public or rights issue of securities in the preceding three years.

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## DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company.

In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into from time to time.

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on July 26, 2024. Our Board may also, from time to time, pay interim dividends. The Board shall, *inter alia*, consider certain financial, internal and external parameters before declaring dividend including level of debt, capital expenditure requirement, working capital requirement and profit earned during the year. Our Company may also, from time to time, pay interim dividends. The objective of the dividend policy is rewarding its Shareholders and retaining capital for growth and ensuring fairness, sustainability, and consistency in distributing profits to Shareholders. For details in relation to risks involved in this regard, see “*Risk Factor*” on page no 29 of this Draft Red Herring Prospectus.

The details of the dividend paid by our Company on the Equity Shares during below mentioned period are given below:

Particulars	March 31, 2024	September 30, 2024
Number of equity shares at year/ period ended	54,90,000	54,90,000
Face value per equity shares (in ₹)	₹10	₹10
Dividend Paid (in ₹Lakh)	-	-
Dividend per Equity Share (in ₹)	-	-
Rate of dividend (%)	-	-
Mode of payment of dividend	-	-

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 “*Financial Statement as Restated*” on page no 205 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. There is no guarantee that any dividends will be declared or paid or the amount thereof will be decreased in the future.

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## SECTION IX - FINANCIAL INFORMATION

### FINANCIAL STATEMENT AS RESTATED

#### Independent Auditor's Report on Restated Financial Statements

To,

**The Board of Directors**

Renol Polychem Limited

307 Sanskar Heights NR RA, Circle 150 FT Ring RD,

Mavdi, Rajkot, Gujarat-360004

Dear Sir,

- i. We have examined the attached restated standalone financial information of “**RENOL POLYCHEM LIMITED**” (hereinafter referred to as “the Company” or “the Issuer”) for the period ended September 30, 2024, March 31, 2024 (*18.02.2024 to 31.03.2024*), February 17, 2024 (*01.04.2023 to 17.02.2024*), March 31, 2023 and March 31, 2022 which comprise of the restated statement of assets and liabilities, restated statement of Profit and Loss, restated cash flow statement and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the “**restated standalone financial information**” or “**restated standalone financial statements**”) annexed to this report and initiated by us for identification purposes. These Restated Standalone Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on Emerge Platform (“**IPO**”) of NSE Limited (“**NSE**”) of the company.
- ii. These restated summary statements have been prepared in accordance with the requirements of:
  - i. Section 26 of Part – I of Chapter III of 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 (“**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 Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”)
- iii. The Company’s Board of Directors is responsible for the preparation of the Restated Standalone Financial Statements for inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India (“**SEBI**”), Emerge platform of NSE Limited (“**NSE**”) and Registrar of Companies Ahmedabad in connection with the proposed IPO. The Restated Standalone Financial Statements have been prepared by the management of the Company on the basis of preparation stated. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
- iv. We have examined such Restated Standalone Financial Statements taking in to consideration:
  - i) The terms of reference and term so four engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;
  - ii) 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 Standalone Financial Statements;

- 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.
- v. The Restated Standalone Financial Statements of the Company have been compiled by the management from:
- i. Financial Statement as at and for the period ended September 30, 2024, March 31, 2024 (*18.02.2024 to 31.03.2024*), February 17, 2024 (*01.04.2023 to 17.02.2024*), March 31, 2023 and March 31, 2022 prepared in accordance with Accounting Standard, specified under section 133 of the Act and other accounting principles generally accepted in India by making adjustments for Indian GAAP as applicable to corporates to the audited financial statements for the period ended September 30, 2024, March 31, 2024 (*18.02.2024 to 31.03.2024*), February 17, 2024 (*01.04.2023 to 17.02.2024*), March 31, 2023 and March 31, 2022 as approved by the board of directors and financial information of company namely Renol Polychem Limited for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 were prepared in accordance as per Indian GAAP as applicable to non-corporates.
  - ii. The audit for the period ended 31 March, 2024 was conducted by us and there were no qualifications in our audit report. The financial information of Company namely Renol Polychem Limited for the financial years ended 31 March 2023 and 31 March 2022 was based on financial statements considered by previous tax auditors, M/s TCS & CO., Chartered Accountants (ICAI Firm Registration Number: 0145920W) and accordingly we have placed reliance on the restated statement of assets and liabilities and the restated statements of profit and loss and cash flow statements, the Statement of Significant Accounting Policies and other explanatory information examined by them.
  - iii. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Standalone Financial Statements:
    - a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively for the period ended on September 30, 2024, March 31, 2024 (*18.02.2024 to 31.03.2024*), February 17, 2024 (*01.04.2023 to 17.02.2024*), March 31, 2023 and March 31, 2022.
    - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
    - c) there are no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
    - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
    - e) Adequate disclosure has been made in the financial statements as required to be made by the issuer as per schedule III of the Companies Act, 2013.
    - f) The accounting standards prescribed under the Companies act, 2013 have been followed.
    - g) The financial statements present a true and fair view of the company's accounts.
- vi. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- a) The “**Restated Summary Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at September 30, 2024, March 31, 2024 (*18.02.2024 to 31.03.2024*), February 17, 2024 (*01.04.2023 to 17.02.2024*), March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors and Restated statement of assets and liabilities of Company namely Renol Polychem Limited as set out in **Annexure I** to this report are prepared by the management of the

Company. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.

- b) The “**Restated Summary Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the period ended on September 30, 2024, March 31, 2024 (18.02.2024 to 31.03.2024), February 17, 2024 (01.04.2023 to 17.02.2024), March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors and restated statement of profit and loss of company namely Renol Polychem Limited as set out in **Annexure II** to this report for June 30, 2024, March 31, 2024 (18.02.2024 to 31.03.2024), February 17, 2024 (01.04.2023 to 17.02.2024), March 31, 2023 and March 31, 2022 are prepared by the management of the Company. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
- c) The “**Restated Summary Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the period ended on September 30, 2024, March 31, 2024 (18.02.2024 to 31.03.2024), February 17, 2024 (01.04.2023 to 17.02.2024), March 31, 2023 and March 31, 2022 is prepared by the Company and approved by the Board of Directors and restated statement of cash flows of company namely Renol Polychem Limited as set out in **Annexure III** to this report for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 are prepared by management of the Company. These Restated Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.

- vii. We have also examined the following other financial information relating to the Company for the period ended September 30, 2024, March 31, 2024 (18.02.2024 to 31.03.2024), February 17, 2024 (01.04.2023 to 17.02.2024), March 31, 2023 and March 31, 2022 as approved by the board of directors of the Company and other financial information relating to the company namely Renol Polychem Limited for the financial year ended on 31 March 2024, 31 March 2023 and 31 March 2022 and annexed to this report and proposed to be included in the Prospectus/Prospectus (“**Offer Document**”).

<b>Annexure No.</b>	<b>Particulars</b>
<b>I</b>	<b>Restated Statement of Assets &amp; Liabilities</b>
10	Restated Statement of Equity Share Capital
11	Restated Statement of Reserve and Surplus
12	Restated Statement of Long Term Borrowings
13	Restated Statement of Other Long Term Liabilities
14	Restated Statement of Long Term Provision
15	Restated Statement of Short Term Borrowings
16	Restated Statement of Trade Payable
17	Restated Statement of Other Current Liabilities
18	Restated Statement of Short Term Provision
1	Restated Statement of Property, Plant and Equipment and Intangible Assets
2	Restated Statement of Non Current Investments
3	Restated Statement of Deferred Tax Assets (net)
4	Restated Statement of Other Non Current Assets
5	Restated Statement of Inventories
6	Restated Statement of Trade Receivables
7	Restated Statement of Cash and Cash Equivalents
8	Restated Statement of Short Term Loans And Advances
9	Restated Statement of Other Current Assets

<b>II.</b>	<b>Restated Statement of Profit &amp; Loss</b>
19	Restated Statement of Revenue From Operations
20	Restated Statement of Other Income
21	Restated Statement of Cost of Goods Traded
22	Restated Statement of Employee Benefits Expenses
23	Restated Statement of Finance Costs
24	Restated Statement of Other Expenses
25	Restated Statement of EPS
<b>Other Annexures:</b>	
III	Statement of Cash Flow, As Restated
IV	Statement of Significant Accounting Policies
V	Statement of Related Parties & Transactions
VI	Statement of Accounting & Other Ratios, As Restated

- viii. We, M/s. K M CHAUHAN & ASSOCIATES., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.
- ix. This report should not in any way be construed as a reissuance 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 herein.
- x. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- xi. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Document in connection with the proposed SME IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior 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 K M CHAUHAN & ASSOCIATES**

*Chartered Accountants,*

Firm Registration No: 125924W

**Peer Review No: 015245**

**Sd/-**

Bhavdipbhai Pravinbhai Poriya

*Partner*

Membership No: 124536

**UDIN: 24154536BKBNMF3513**

**Place:** Rajkot

**Date:** 06.12.2024

**Annexure I: Statements of Assets and Liabilities as Restated**

*(Amount in ₹ Lakhs)*

Particular		Note	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I</b>	<b>EQUITY AND LIABILITIES</b>						
	<b>1</b>	<b>Shareholder's Fund</b>					
	a)	Equity Share Capital	10	549.00	549.00	-	-
	b)	Reserve and Surplus	11	539.90	320.30	196.24	-
	bii)	Partner's Capital	11	-	-	50.00	270.63
	<b>2</b>	<b>Non-current liabilities</b>					
	a)	Long Term Borrowings	12	19.82	26.26	27.22	163.00
	b)	Other Long Term Liabilities	13	-	-	-	-
	c)	Long Term Provision	14	-	-	-	-
	<b>3</b>	<b>Current liabilities</b>					
	a)	Short Term Borrowings	15	886.84	231.65	950.44	372.65
	b)	Trade Payable	16	213.95	225.94	274.59	177.29
	c)	Other Current Liabilities	17	7.87	30.53	48.24	18.44
	d)	Short Term Provision	18	239.38	165.65	100.87	25.52
		<b>Total</b>		<b>2,456.77</b>	<b>1,549.33</b>	<b>1,647.60</b>	<b>1,027.53</b>
<b>II</b>	<b>ASSETS</b>						
	<b>1</b>	<b>Non-current assets</b>					
	a)	Property, Plant and Equipment and Intangible Assets	1	36.74	38.63	40.67	21.59
	b)	Non Current Investments	2	19.85	-	-	-
	c)	Deferred Tax Assets (net)	3	4.75	4.38	4.03	1.27
	d)	Other Non Current Assets	4	18.06	17.41	182.53	102.22
	<b>2</b>	<b>Current assets</b>					
	a)	Inventories	5	992.38	692.16	496.38	310.49
	b)	Trade Receivables	6	1,185.66	620.18	744.29	479.22
	c)	Cash and Cash Equivalents	7	111.88	101.37	11.01	12.08
	d)	Short Term Loans and Advances	8	4.15	-	35.99	40.31
e)	Other Current Assets	9	83.30	75.21	132.68	60.35	
	<b>Total</b>		<b>2,456.77</b>	<b>1,549.33</b>	<b>1,647.60</b>	<b>1,027.53</b>	<b>668.69</b>



**Annexure II: Statements of Profit and Loss as Restated**

*(Amount in ₹ Lakhs)*

Particular		Note	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I	Revenue From Operations	19	2,885.87	644.93	4,581.30	4,166.77	2,678.77
II	Other Income	20	16.95	7.38	20.77	18.97	1.48
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>2,902.83</b>	<b>652.31</b>	<b>4,602.07</b>	<b>4,185.74</b>	<b>2,680.25</b>
IV	Expenses						
	Cost of Goods Traded	21	2,461.40	359.93	3,990.69	3,851.14	2,501.71
	Employee Benefits Expenses	22	26.54	11.08	23.00	14.82	14.00
	Finance Costs	23	20.56	10.19	52.57	36.22	16.54
	Depreciation and Amortization Expense	1	6.36	2.04	16.09	2.85	3.88
	Other Expenses	24	94.99	51.24	180.55	182.56	123.44
	<b>Total Expenses</b>		<b>2,609.85</b>	<b>434.48</b>	<b>4,262.91</b>	<b>4,087.60</b>	<b>2,659.57</b>
<b>V</b>	<b>Profit before tax (III- IV)</b>		<b>292.97</b>	<b>217.82</b>	<b>339.17</b>	<b>98.14</b>	<b>20.68</b>
VI	Prior Period Item		-	-	-	-	-
VII	Extraordinary Items		-	-	-	-	-
<b>VIII</b>	<b>Profit before tax (V+VI)</b>		<b>292.97</b>	<b>217.82</b>	<b>339.17</b>	<b>98.14</b>	<b>20.68</b>
IX	Tax Expense						
a)	Current Tax		(73.74)	(64.78)	(100.87)	(25.52)	(5.38)
b)	Deferred Tax		0.37	0.34	2.77	0.18	0.44
c)	Short/Excess Provision of Last Year		-	-	-	-	-
<b>X</b>	<b>Profit (Loss) for the period (VIII + IX)</b>		<b>219.61</b>	<b>153.39</b>	<b>241.07</b>	<b>72.81</b>	<b>15.75</b>
	Earnings per equity share	25	4.00	2.79	N/A	N/A	N/A

**Annexure III: Statements of Cash flow as Restated**

*(Amount in ₹ Lakhs)*

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I Cash flow from Operating Activities:</b>					
Net Profit Before tax as per Statement of Profit & Loss	292.97	217.82	339.17	98.14	20.68
Adjustments for:					
Depreciation & Amortisation Exp.	6.36	2.04	16.09	2.85	3.88
Finance Cost Bank Balance	20.56	10.19	52.57	36.22	16.54
Loss on Sale of Assets	-				
<b>Operating Profit before working capital changes</b>	<b>319.89</b>	<b>230.06</b>	<b>407.83</b>	<b>137.22</b>	<b>41.10</b>
<b>Changes in operating assets and liabilities:</b>					
Other Long Term Liabilities	-	-	-	-	-
Long Term Provisions	-	-	-	-	-
Trade Payable	(11.99)	(48.65)	97.30	120.44	(14.38)
Other Current Liabilities	(22.66)	(17.71)	29.80	(19.58)	16.34
Short Term Provisions	-	-	-	-	-
Inventories	(300.23)	(195.77)	(185.90)	(190.33)	(16.80)
Trade Receivables	(565.48)	124.12	(265.07)	(177.93)	(46.78)
Other Current Assets	(8.09)	57.48	(72.33)	19.13	42.78
<b>Tax &amp; Other Adjustment</b>	<b>(0.00)</b>	<b>(29.32)</b>	<b>30.29</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(588.57)</b>	<b>120.20</b>	<b>41.92</b>	<b>(111.04)</b>	<b>22.28</b>
<b>II Cash flow from investing Activities</b>					
Purchase/Sale of Fixed Assets (Net)	(4.47)	0.00	(35.17)	(0.63)	(1.48)
Movement in Investment					
Long Term	(19.85)	-	-	2.26	(0.06)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(24.32)</b>	<b>0.00</b>	<b>(35.17)</b>	<b>1.64</b>	<b>(1.54)</b>
<b>III Cash Flow from Financing Activities</b>					
Changes in Equity	-	499.00	-	-	-
Change in Partner's capital	-	-	(321.27)	4.35	78.45
Changes in Borrowing					
Long term borrowings	(6.44)	(0.96)	(135.78)	0.50	(180.05)
Short term borrowings	655.19	(718.79)	577.80	154.79	217.86
Movement in Loan & Advances and Other Assets					
Long Term	(0.64)	165.11	(80.31)	(21.44)	(80.78)
Short Term	(4.15)	35.99	4.32	13.02	(38.58)
Finance Cost	(20.56)	(10.19)	(52.57)	(36.22)	(16.54)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>623.40</b>	<b>(29.84)</b>	<b>(7.81)</b>	<b>115.00</b>	<b>(19.64)</b>
<b>IV Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>10.51</b>	<b>90.36</b>	<b>(1.07)</b>	<b>5.59</b>	<b>1.10</b>
<b>Opening Balance</b>	<b>101.37</b>	<b>11.01</b>	<b>12.08</b>	<b>6.49</b>	<b>5.39</b>
<b>Closing Balance</b>	<b>111.88</b>	<b>101.37</b>	<b>11.01</b>	<b>12.08</b>	<b>6.49</b>
Cash And Cash Equivalents Comprise:					
Cash	9.93	18.77	10.51	9.09	5.09
Bank Balance					
Current Account	101.95	82.59	0.50	2.99	1.40
Deposits Account	-	-	-	-	-
<b>Total Cash Balance</b>	<b>111.88</b>	<b>101.37</b>	<b>11.01</b>	<b>12.08</b>	<b>6.49</b>

<b>Annexure 1: Statement Showing Property, Plant and Equipment and Intangible Assets As Restated</b>									
<i>(Amount in ₹ Lakhs)</i>									
<b>1.1</b>	<b>Statement showing details of property, Plant and Equipment and Intangible Assets:</b>								
<b>Particular</b>	<b>Land</b>	<b>inventory &amp; Furniture</b>	<b>Mobile</b>	<b>Air Cooler</b>	<b>Computer &amp; Software</b>	<b>Fortuner Car</b>	<b>Plant &amp; Machineries</b>	<b>Sub Total</b>	<b>Total</b>
<b>Gross Carrying Value:</b>									
<b>As at 31/03/2022</b>	15.91	0.38	0.75	0.29	1.29	-	14.27	<b>32.89</b>	<b>32.89</b>
Addition during the year	-	-	-	0.09	0.41	-	0.12	<b>0.63</b>	<b>0.63</b>
Deduction during the year	-	-	-	-	-	-	-	-	-
Asset Held For Sale	-	-	-	-	-	-	-	-	-
<b>As at 31/03/2023</b>	15.91	0.38	0.75	0.39	1.71	-	14.39	<b>33.52</b>	<b>33.52</b>
Addition during the year	-	0.97	-	0.26	1.33	48.53	-	<b>51.09</b>	<b>51.09</b>
Deduction during the year	15.91	-	-	-	-	-	-	<b>15.91</b>	
Asset Held For Sale	-	-	-	-	-	-	-	-	-
<b>As at 17/02/2024</b>	-	1.34	0.75	0.64	3.04	48.53	14.39	<b>68.69</b>	<b>68.69</b>
Addition during the year	-	-	-	-	-	-	-	-	-
Deduction during the year	-	-	-	-	-	-	-	-	-
Asset Held For Sale	-	-	-	-	-	-	-	-	-
<b>As at 31/03/2024</b>	-	1.34	0.75	0.64	3.04	48.53	14.39	<b>68.69</b>	<b>68.69</b>
Addition during the year	-	0.38	-	1.06	2.29	0.14	0.60	<b>4.47</b>	<b>4.47</b>
Deduction during the year	-	-	-	-	-	-	-	-	-
Asset Held For Sale	-	-	-	-	-	-	-	-	-
<b>As at 30/09/2024</b>	-	1.72	0.75	1.71	5.33	48.67	14.99	<b>73.16</b>	<b>73.16</b>
<b>Accumulated Depreciation:</b>									
<b>As at 31/03/2022</b>	-	0.10	0.37	0.09	0.99	-	7.54	<b>9.08</b>	<b>9.08</b>
Addition during the year	-	0.07	0.10	0.08	0.45	-	2.15	<b>2.85</b>	<b>2.85</b>
Deduction during the year	-	-	-	-	-	-	-	-	-
<b>As at 31/03/2023</b>	-	0.17	0.47	0.16	1.44	-	9.68	<b>11.93</b>	<b>11.93</b>
Addition during the year	-	0.27	0.06	0.11	0.90	13.45	1.30	<b>16.09</b>	<b>16.09</b>
Deduction during the year	-	-	-	-	-	-	-	-	-
<b>As at 17/02/2024</b>	-	0.44	0.53	0.27	2.34	13.45	10.98	<b>28.02</b>	<b>28.02</b>
Addition during the year	-	0.03	.01	0.01	0.11	1.71	0.17	<b>2.04</b>	<b>2.04</b>
Deduction during the year	-	-	-	-	-	-	-	-	-
<b>As at 31/03/2024</b>	-	0.47	0.54	0.29	2.45	15.16	11.15	<b>30.07</b>	<b>30.07</b>
Addition during the year	-	0.13	0.03	0.12	0.38	5.20	0.50	<b>6.36</b>	<b>6.36</b>
Deduction during the year	-	-	-	-	-	-	-	-	-
<b>As at 30/09/2024</b>	-	0.60	0.57	0.40	2.83	20.36	11.65	<b>36.42</b>	<b>36.42</b>

<b>Net Carrying Value:</b>									
<b>As at 31/03/2022</b>	15.91	0.28	0.38	0.21	0.31	-	6.73	<b>23.81</b>	<b>23.81</b>
<b>As at 31/03/2023</b>	15.91	0.21	0.28	0.22	0.27	-	4.70	<b>21.59</b>	<b>21.59</b>
<b>As at 17/02/2024</b>	-	0.90	0.22	0.37	0.70	35.08	3.40	<b>40.67</b>	<b>40.67</b>
<b>As at 31/03/2024</b>	-	0.87	0.21	0.36	0.59	33.37	3.24	<b>38.63</b>	<b>38.63</b>
<b>As at 30/09/2024</b>	-	1.12	0.18	1.30	2.50	28.31	3.33	<b>36.74</b>	<b>36.74</b>

#### Annexure 2: Statement Showing Non Current Investments As Restated

(Amount in ₹ Lakhs)

##### 2.1 Statement showing details of Non Current Investments:

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I. Investments</b>					
-Other Investments	19.85	-	-		2.26
<b>Total</b>	<b>19.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.26</b>

#### Annexure 3: Statement Showing Deferred Tax Assets (net) As Restated

(Amount in ₹ Lakhs)

##### 3.1 Statement showing bifurcation of computation of Deferred tax asset:

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I. Tax on Temporary Timing Difference</b>					
Deferred tax	4.75	4.38	4.03	1.27	1.09
<b>Total</b>	<b>4.75</b>	<b>4.38</b>	<b>4.03</b>	<b>1.27</b>	<b>1.09</b>

#### Annexure 4: Statement Showing Other Non-Current Assets As Restated

(Amount in ₹ Lakhs)

##### 4.1 Statement showing details of other non current assets:

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I. Trade Receivables</b>					
Trade Receivables	10.77	12.12	180.12	102.22	80.78
<b>II. Fixed Deposits with Bank</b>					
	-	-	-	-	-
<b>III. Other Deposits</b>					
	7.29	5.30	2.41	-	-
<b>Total</b>	<b>18.06</b>	<b>17.41</b>	<b>182.53</b>	<b>102.22</b>	<b>80.78</b>

#### Annexure 5: Statement Showing Inventories As Restated

(Amount in ₹ Lakhs)

##### 5.1 Statement showing details of Inventories:

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I. Inventories (Valued at Cost or NRV whichever is lower)</b>					
	992.38	692.16	496.38	310.49	120.16

<b>Total</b>	<b>992.38</b>	<b>692.16</b>	<b>496.38</b>	<b>310.49</b>	<b>120.16</b>
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### Annexure 6: Statement Showing Trade Receivables As Restated

(Amount in ₹ Lakhs)

#### 6.1 Statement showing details of Trade Receivables:

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I. Trade Receivables	1,185.66	620.18	744.29	479.22	301.30
<b>Total</b>	<b>609.40</b>	<b>620.18</b>	<b>744.29</b>	<b>479.22</b>	<b>301.30</b>

#### 6.2 Statement showing Ageing of Trade Receivable for the period ended 30/09/2024

##### Outstanding for following periods from due date of payment

Sr No	Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
I	Undisputed Trade receivables						
	Considered Good	869.63	316.02	10.77	-	-	1,196.43
	Considered Doubtful	-	-	-	-	-	-
II	Disputed Trade receivables						
	Considered Good	-	-	-	-	-	-
	Considered Doubtful	-	-	-	-	-	-
	<b>Total</b>	<b>869.63</b>	<b>316.02</b>	<b>10.77</b>	<b>-</b>	<b>-</b>	<b>1,196.43</b>

### Annexure 7: Statement Showing Cash and Cash Equivalents As Restated

(Amount in ₹ Lakhs)

#### 7.1 Statement showing details of Cash and cash equivalent:

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I <b>Cash In Hand</b>	9.93	18.77	10.51	9.09	5.09
II <b>Balances with Bank</b>					
In Deposits Account	-	-	-	-	-
Less: Transferred to Other Non Current Asset	-	-	-	-	-
In Current Account	101.95	82.59	0.50	2.99	1.40
<b>Total</b>	<b>111.88</b>	<b>101.37</b>	<b>11.01</b>	<b>12.08</b>	<b>6.49</b>

### Annexure 8: Statement Showing Short Term Loans And Advances As Restated

(Amount in ₹ Lakhs)

#### 8.1 Statement showing details of short-term loans and advances:

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I To Related Party		-	-	-	-

II	To Others	4.15	-	35.99	40.31	53.33
<b>Total</b>		<b>4.15</b>	<b>-</b>	<b>35.99</b>	<b>40.31</b>	<b>53.33</b>

### Annexure 9: Statement Showing Other Current Assets As Restated

(Amount in ₹ Lakhs)

#### 9.1 Statement showing details of Current Asset:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I	Advances Given to Vendors	16.31	42.15	100.58	1.07	47.39
II	Advances Given for capital Assets	-	-	-	6.32	-
III	Balance With Revenue Authority	51.99	18.06	17.11	32.72	32.09
IV	Advance Tax Payment	15.00	15.00	15.00	-	-
V	Other Current Assets	-	-	-	20.23	-
<b>Total</b>		<b>83.30</b>	<b>75.21</b>	<b>132.68</b>	<b>60.35</b>	<b>79.48</b>

### Annexure 10: Statement Showing Equity Share Capital As Restated

(Amount in ₹ Lakhs)

#### 10.1 Statement showing details of authorised and paid up capital:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>Authorised Share Capital</b>						
	Equity shares of Rs.10 each	900.00	900.00	-	-	-
<b>Issued, Subscribed and Paid up Share Capital</b>						
	Equity Shares of Rs. 10 each fully paid up	549.00	549.00	-	-	-
<b>Total</b>		<b>549.00</b>	<b>549.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 10.2 The reconciliation of the number of shares outstanding at each year end:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
Number of shares at the beginning of the year		54.9	0.00	0.00	0.00	0.00
Add: Share issued during the year		-	54.9	-	-	-
Number of shares at the end of the year		54.9	54.9	0.00	0.00	0.00

#### 10.3 Details of Shareholding more than 5% of the aggregate shares in the company:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>Name of promoter and shareholder</b>						
<b>Mr. Bhaveshbhai M Harsoda</b>						
	Number of Shares	4093674	4093674	-	-	-
	% of Holding	75%	75%	0.00%	0.00%	-
<b>Mr. Naitikbhai B Harsoda</b>						
	Number of Shares	1395826	1395826	-	-	-
	% of Holding	25%	25%	0.00%	0.00%	-

#### 10.4 Details of Promoter's Shareholding:

Particular		No. of shares held	% of total shares	% change during the year
<b>Aggregate number of equity shares held by promoters at the year end:</b>				
<b>As at September 30, 2024</b>				
	Mr. Bhaveshbhai M Harsoda	4093674	74.57%	0.00%
	Mr. Naitikbhai B Harsoda	1395826	25.42%	0.00%
	Mrs. Hetalben B Harsoda	0.00100	0.0002%	0.00%
	Mrs. Labhuben M Harsoda	0.00100	0.0002%	0.00%
	Mr. Dishant H Harsoda	0.00100	0.0002%	0.00%

	Mr. Pratik bhai J Pambhar			0.00100	0.0002%	0.00%
	Mrs. Pravinaben S Pambhar			0.00100	0.0002%	0.00%
	<b>As at March 31, 2024</b>					
	Mr. Bhaveshbhai M Harsoda			4093674	74.57%	0.00%
	Mr. Naitikbhai B Harsoda			1395826	25.42%	0.00%
	Mrs. Hetalben B Harsoda			0.00100	0.0002%	0.00%
	Mrs. Labhuben M Harsoda			0.00100	0.0002%	0.00%
	Mr. Dishant H Harsoda			0.00100	0.0002%	0.00%
	Mr. Pratik bhai J Pambhar			0.00100	0.0002%	0.00%
	Mrs. Pravinaben S Pambhar			0.00100	0.0002%	0.00%
<b>10.5</b>	<b>Other Notes:</b>					
I	Terms/rights attached to equity shares:					
	>	The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.				
	>	In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.				
II	The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.					

### Annexure 11: Statement Showing Reserve and Surplus As Restated

(Amount in ₹ Lakhs)

#### 11.1 Statement showing details of reserves and surplus:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>Reserve and Surplus Account</b>						
i	<b>Retained Earnings</b>					
	Balance at the beginning of the year	319.30	196.24	-	-	-
	Adjustment during the year	219.61	123.06	196.24	-	-
	Balances at the end of the year	538.90	319.30	196.24	-	-
ii	<b>Security Premium</b>					
	Balance at the beginning of the year	1.00	-	-	-	-
	Addition during the year	-	1.00	-	-	-
	Closing Balance at the end of the year	1.00	1.00	-	-	-
<b>Total</b>		<b>539.90</b>	<b>320.30</b>	<b>196.24</b>	<b>-</b>	<b>-</b>

#### 2.2 Statement showing details of Partner's Capital

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>Partner's Capital account</b>						
	Balances at the beginning of the year	-	50.00	270.63	188.09	92.54
	Add - Addition	-	-	209.14	83.46	95.04
	Less -Withdrawal	-	-	37.68	73.72	15.24
	Add - Net Profit / (Loss) for the period	-	-	44.83	72.81	15.75
	Less - Transferred to issue of equity Share	-	50.00			
	Less - Transferred to Unsecured Loan			436.92		
<b>Balances at the end of the year</b>		<b>-</b>	<b>-</b>	<b>50.00</b>	<b>270.63</b>	<b>188.09</b>

### Annexure 12: Statement Showing Long Term Borrowings As Restated

(Amount in ₹ Lakhs)

#### 12. Statement showing details of different borrowing for long term purposes

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I	<b>Secured Loan</b>					
	From Scheduled Bank	32.43	38.35	39.31	-	76.48
	From Related Parties				-	

	Less: Current Maturity of Long Term Borrowing	12.62	12.09	12.09	-	22.05
	Remaining Balances	19.82	26.26	27.22	-	54.43
<b>II</b>	<b>Unsecured Loan</b>					
	From Non Banking Financial Company	-	-	-	-	-
	From Related Parties	-	-	-	-	-
	From Others	-	-	-	163.00	108.07
	Less: Current Maturity of Long Term Borrowing	-	-	-	-	-
	Remaining Balances	-	-	-	163.00	108.07
	From Directors and Their Relatives	-	-	-	-	-
	Less: Current Maturity of Long Term Borrowing	-	-	-	-	-
	Remaining Balances	-	-	-	-	-

### Annexure 13: Statement Showing Other Long Term Liabilities As Restated

(Amount in ₹ Lakhs)

#### 13.1 Statement showing details of other long term liabilities:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I</b>	<b>Sundry Creditors for more than 12 month</b>	-	-	-	-	-
<b>Total</b>		-	-	-	-	-

### Annexure 14: Statement Showing Long Term Provision As Restated

(Amount in ₹ Lakhs)

#### 14.1 Statement showing details of long term provision:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I</b>	<b>Long Term Provision</b>	-	-	-	-	-
<b>Total</b>		-	-	-	-	-

### Annexure 15: Statement Showing Short Term Borrowings As Restated

(Amount in ₹ Lakhs)

#### 15.1 Statement showing details of different borrowing for short term purposes:

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>I</b>	<b>Secured Loan</b>					
	Working Capital Facility from Bank	872.02	219.55	457.14	372.65	195.81
	Working Capital Facility from NBFC	-	-	-	-	-
	Current Maturity Of Long Term Borrowing					
	From Scheduled Bank	12.62	12.09	12.09	-	22.05
		<b>884.63</b>	<b>231.64</b>	<b>469.23</b>	<b>372.65</b>	<b>217.86</b>
<b>II</b>	<b>Unsecured Loan</b>					
	From Others	2.21	0.01	481.21	-	-
		<b>2.21</b>	<b>0.01</b>	<b>481.21</b>	-	-
<b>Total</b>		<b>886.84</b>	<b>231.65</b>	<b>950.44</b>	<b>372.65</b>	<b>217.86</b>



Annexure 16: Statement Showing Trade Payable As Restated						
(Amount in ₹ Lakhs)						
<b>16.1</b>	<b>Statement showing bifurcation of trade payable:</b>					
Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022	
<b>I Trade Payables</b>						
Micro Small and Medium Enterprises	-	-	-	-	-	
Others	213.95	225.94	274.59	177.29	56.84	
<b>Total</b>	<b>213.95</b>	<b>225.94</b>	<b>274.59</b>	<b>177.29</b>	<b>56.84</b>	
<b>16.2</b>	<b>Statement showing Ageing of Trade Payable For the period ended 30/09/2024</b>					
Sr No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	-	-	-	-	-
ii	Others	213.95	-	-	-	213.95
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues – Others	-	-	-	-	-
	<b>Total</b>	<b>213.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213.95</b>
<b>16.3</b>	<b>Statement showing Ageing of Trade Payable For the period ended 31/03/202</b>					
Sr No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	-	-	-	-	-
ii	Others	225.94	-	-	-	225.94
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>225.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225.94</b>
<b>16.4</b>	<b>Statement showing Ageing of Trade Payable For the period ended 17/02/2024</b>					
Sr No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	-	-	-	-	-
ii	Others	274.59	-	-	-	274.59
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>274.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>274.59</b>
<b>16.5</b>	<b>Statement showing Ageing of Trade Payable For The Year 2022-2023:</b>					
Sr No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	-	-	-	-	-
ii	Others	177.29	-	-	-	177.29
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>177.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177.29</b>
<b>16.6</b>	<b>Statement showing Ageing of Trade Payable For The Year 2021-2022:</b>					
Sr No	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	MSME	-	-	-	-	-
ii	Others	56.84	-	-	-	56.84
iii	Disputed Dues- MSME	-	-	-	-	-
iv	Undisputed Dues - Others	-	-	-	-	-

<b>Total</b>	<b>56.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56.84</b>
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<b>Annexure 17: Statement Showing Other Current Liabilities As Restated</b>						
<i>(Amount in ₹ Lakhs)</i>						
<b>17.1 Statement showing bifurcation of other current liabilities:</b>						
<b>Particular</b>		<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
I	Advances Received from Customer	2.68	24.80	47.15	17.88	36.86
II	Creditors For Expenses	-	-	-	-	0.57
III	Salary Payables	4.34	3.17	0.83	-	-
IV	Statutory Payables	0.85	2.56	0.26	0.56	0.59
<b>Total</b>		<b>7.87</b>	<b>30.53</b>	<b>48.24</b>	<b>18.44</b>	<b>38.02</b>

<b>Annexure 19: Statement Showing Revenue From Operations As Restated</b>						
<i>(Amount in ₹ Lakhs)</i>						
<b>19.1 Statement showing details of revenue from operations:</b>						
<b>Particular</b>		<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
I	Revenue from operations	2,885.87	644.93	4,581.30	4,166.77	2,678.77
<b>Total</b>		<b>2,885.87</b>	<b>644.93</b>	<b>4,581.30</b>	<b>4,166.77</b>	<b>2,678.77</b>

<b>Annexure 18: Statement Showing Short Term Provision As Restated</b>						
<i>(Amount in ₹ Lakhs)</i>						
<b>18.1 Statement showing bifurcation of Short Term Provision:</b>						
<b>Particular</b>		<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
I	Provision for Income Tax	239.38	165.65	100.87	25.52	5.38
II	Provision For Expense	-	-	-	-	-
<b>Total</b>		<b>239.38</b>	<b>165.65</b>	<b>100.87</b>	<b>25.52</b>	<b>5.38</b>

<b>Annexure 20: Statement Showing Other Income As Restated</b>						
<i>(Amount in ₹ Lakhs)</i>						
<b>20.1 Statement showing details of other income:</b>						
<b>Particular</b>		<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
	Bank Interest	1.20	0.94	0.10	0.06	0.06
I	Interest Income	1.20	0.94	0.10	-	-
	Interest on IT refund	-	-	-	-	-
	Other Income	15.75	6.43	20.67	18.91	1.42
II	Rent Income	-	-	-	-	-
<b>Total</b>		<b>16.95</b>	<b>7.38</b>	<b>20.77</b>	<b>18.97</b>	<b>1.48</b>

<b>Annexure 21: Statement Showing Cost of Goods Traded As Restated</b>						
<i>(Amount in ₹ Lakhs)</i>						
<b>21.1 Statement showing bifurcation of Cost of Goods Traded:</b>						
<b>Particular</b>		<b>As at 30/09/2024</b>	<b>As at 31/03/2024</b>	<b>As at 17/02/2024</b>	<b>As at 31/03/2023</b>	<b>As at 31/03/2022</b>
I	Opening Stock	692.16	496.38	310.49	120.16	103.36
II	Purchases	2,761.63	555.71	4,176.59	4,041.47	2,518.50
III	Closing Stock	992.38	692.16	496.38	310.49	120.16
<b>Total</b>		<b>2,461.40</b>	<b>359.93</b>	<b>3,990.69</b>	<b>3,851.14</b>	<b>2,501.71</b>

**Annexure 22: Statement Showing Employee Benefits Expenses As Restated***(Amount in ₹ Lakhs)***22.1 Statement showing details of employee benefit expenses:**

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I	Salaries, Wages and Bonus	26.54	11.08	23.00	14.82	14.00
II	Director's Remuneration	-	-	-	-	-
III	Staff Welfare	-	-	-	-	-
IV	Contribution to Employee Welfare Fund	-	-	-	-	-
<b>Total</b>		<b>26.54</b>	<b>11.08</b>	<b>23.00</b>	<b>14.82</b>	<b>14.00</b>

**Annexure 23: Statement Showing Finance Costs As Restated***(Amount in ₹ Lakhs)***23.1 Statement showing details of finance cost:**

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I	Bank Charges	1.58	4.77	16.57	4.70	0.07
	Bank Guarantee Charges	-	-	-	-	0.23
	<b>Total</b>	<b>1.58</b>	<b>4.77</b>	<b>16.57</b>	<b>4.70</b>	<b>0.30</b>
II	Interest Expenses	18.98	5.42	35.99	31.53	16.24
<b>Total</b>		<b>20.56</b>	<b>10.19</b>	<b>52.57</b>	<b>36.22</b>	<b>16.54</b>

**Annexure 24: Statement Showing Other Expenses As Restated***(Amount in ₹ Lakhs)***24.1 Statement showing details of other expenses:**

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
<b>Direct Expenses</b>						
I	Freight and Transportation Charges	37.98	14.05	72.06	78.59	52.20
II	Labour Charges	4.55	1.14	6.54	7.43	5.70
III	Power Charges	2.46	1.13	3.84	0.27	4.53
IV	Other Direct Expenses	2.46	2.98	7.47	4.66	1.59
		<b>47.45</b>	<b>19.30</b>	<b>89.92</b>	<b>90.96</b>	<b>64.01</b>
<b>Administrative Expenses</b>						
I	Advertising Expenses	0.52	-	6.38	1.35	-
II	Audit & Accounting Fees	0.60	0.20	1.00	-	0.08
III	Import Expenses	10.83	2.94	16.56	20.89	6.72
IV	Communication Expenses	0.33	0.05	0.36	0.41	0.38
V	Insurance Charges	0.17	-	1.50	0.62	0.19
VI	Legal, Professional & Consultancy Charges	22.71	21.76	2.63	0.13	0.20
VII	Brokerage and Commission	1.08	0.22	-	0.40	-
VIII	Office and General Expenses	6.33	5.88	15.35	20.82	4.09
IX	Printing And Stationery	0.40	0.11	0.35	0.34	0.40
X	Repairing Expenses	1.16	0.17	1.80	-	-
XI	Payment to Partners	-	-	31.23	46.45	45.96
XII	ROC & Other Fees	1.66	-	11.49	-	-
XIII	Travelling And Conveyance Expense	1.74	0.61	1.99	0.20	1.42
		<b>47.54</b>	<b>31.93</b>	<b>90.63</b>	<b>91.61</b>	<b>59.43</b>
<b>Total</b>		<b>94.99</b>	<b>51.24</b>	<b>180.55</b>	<b>182.56</b>	<b>123.44</b>

**24.2 Statement showing details of Payment to Auditor:**

Particular		As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I	Statutory Audit	-	-	-	-	-
II	Tax Audit	-	-	-	-	-
III	Certification and Other Matters	-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Annexure 25: Statement Showing Earnings per equity share As Restated***(Amount in ₹ Lakhs)***25 Statement showing details of earning per share:**

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
Number of shares at the beginning of the year	54.90	-	-	-	-
Number of shares at the end of the year	54.90	54.90	-	-	-
Weighted average number of shares	54.90	54.90	-	-	-
Profit After Tax	219.61	153.39	-	-	-
Earning Per Share (Rs.)	4.00	2.79	-	-	-

**Annexure V: Statement Showing Related Party Transaction As Restated***(Amount in ₹ Lakhs)***V-i Statement showing details of related party and their relation with the company:**

No	Particulars	Name of Related Parties	Nature of Relationship
1	Directors and Key Managerial Personnel (KMP)	Bhaveshbhai Mansukhbhai Harsoda	Managing Director
		Naitik Bhaveshbhai Harsoda	Executive Director
		Ekta Pravinbhai Tank	Chief Financial Officer
		Anjali Hukambhai Jeshani	Non-Executive Non-Independent Director
2	Enterprises in which KMP/ Relatives of KMP can exercise significant influence Enterprises	M/s Ripal Polymers	Partnership firm in which Directors are interested
		Renol Foods Private Limited	Company in which directors are interested
		Ramev Polyplast Private Limited	Company in which directors are interested
		Vibrant Industrial Park Limited	Company in which directors are interested
		Bhaveshbhai M Harsoda HUF	HUF in which directors are interested.
		Mansukhbhai D Harsoda HUF	HUF in which directors are interested.
3	Relative of KMP	Hetalben Bhaveshbhai Harsoda	Spouse of Mr. Bhaveshbhai Mansukhbhai Harsoda and Mother of Mr. Naitik Bhaveshbhai Harsoda
		Mansukhbhai Devjibhai Harsoda	Father of Mr. Bhaveshbhai Mansukhbhai Harsoda
		Labhuben Mansukhbhai Harsoda	Mother of Mr. Bhaveshbhai Mansukhbhai Harsoda
		Jignaben Rohitbhai Korat	Sister of Mr. Bhaveshbhai Mansukhbhai Harsoda
		Manjulaben Vekariya	Sister of Mr. Bhaveshbhai Mansukhbhai Harsoda
		Sumita Jagdishbhai Pambhar	Sister of Mr. Bhaveshbhai Mansukhbhai Harsoda
		Shaefali Bhaveshbhai Harsoda	Daughter of Mr. Bhaveshbhai Mansukhbhai Harsoda and Sister of Mr. Naitik Bhaveshbhai Harsoda
		Chhaganbhai N Ghanva	Bhaveshbhai Mansukhbhai Harsoda Spouse's Father
		Savitaben Chhaganbhai Ghanva	Bhaveshbhai Mansukhbhai Harsoda Spouse's Mother
		Samirbhai Ghanva	Bhaveshbhai Mansukhbhai Harsoda Spouse's Brother
		Mitalben Manishbhai Vora	Bhaveshbhai Mansukhbhai Harsoda Spouse's sister
		Pravinbhai tank	Father of Ekta Pravinbhai Tank

	Bhanuben Pravinbhai Tank	Mother of Ekta Pravinbhai Tank
	Naimish Pravinbhai Tank	Brother of Ekta Pravinbhai Tank
	Jyoti Pravinbhai Tank	Sister of Ekta Pravinbhai Tank
	Hukambhai Jeshani	Father of Anjali Hukambhai Jeshani
	Rekhaben Hukambhai jeshani	Mother of Anjali Hukambhai Jeshani
	Dipesh Hukambhai Jeshani	Brother of Anjali Hukambhai Jeshani

**V-ii Statement showing details of related party transactions:**

No	Particular	Nature of Transaction	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
1	Bhaveshbhai M Harsoda	Salary/Remuneration to Director	9.00	15.00	10.00	12.25	15.50
2	Bhaveshbhai M Harsoda	Interest on partner capital	-		5.93	10.77	6.58
3	Pravinaben S Pambhar	Salary	-		6.25	12.25	15.50
4	Pravinaben S Pambhar	Interest on partner capital	-		7.80	11.18	7.77
5	Naitikbhai B Harsoda	Salary/Remuneration to Director	7.50	6.38	1.62	-	-
6	Ripal Polymers	Purchase of Goods	125.61	9.47	47.75	32.73	18.15

**Annexure VI: Statement Showing Ratios As Restated**

(Amount in ₹ Lakhs)

**VI Statement showing ratios:**

Particular	As at 30/09/2024	As at 31/03/2024	As at 17/02/2024	As at 31/03/2023	As at 31/03/2022
I Current Ratio	1.76	2.28	1.03	1.52	1.76
II Debt Equity Ratio	0.83	0.30	3.97	1.98	2.02
III Debt Service Coverage Ratio	0.27	0.68	0.30	0.27	0.15
IV Return On Equity Ratios	22.43%	27.50%	93.28%	31.74%	11.22%
V Inventory Turnover Ratio	2.98	0.64	10.11	18.31	22.96
VI Trade Receivables Turnover Ratio	3.20	0.95	7.49	10.68	9.64
VII Trade Payables Turnover Ratio	12.56	2.22	18.49	34.52	39.33
VIII Net Capital Turnover Ratio	2.80	0.77	99.10	13.50	11.04
IX Net Profit Ratio	7.61%	23.78%	5.26%	1.75%	0.59%
X Return On Capital Employed	30.75%	37.42%	104.33%	32.17%	9.14%

Note I: The Return on Equity Ratio and Return on Capital Employed Ratio for the period ended February 17, 2024 are much higher than usual due to transfer of Capital to Unsecured Loans at the time of Conversion.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 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 no. 205 You should also read the section titled “Risk Factors” on page no 29 and the section titled “Forward Looking Statements” on page no. 22 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 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 was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm was converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad (Gujarat). Subsequently, the name of our company was changed from “**Renol Polychem Private Limited**” to “**Renol Polychem Limited**” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, issued by the Registrar of Companies, Central Processing Centre.

We started our operations way back in the year 2008 in the name and style of M/s Renol Enterprise, a partnership firm and further commenced its operations as a Private company under the name and style of Renol Polychem Private Limited, since January 09, 2024.

Our Company is engaged in the manufacturing colour masterbatches, colour pigment, filler granule, anti-moisture powder, carbon noodles, superpack & onepack, impact modifier, processing AID and tinanium dioxide. We started our operations/ business at Rajkot in 2008 and commenced our manufacturing operations in 2020. Our company also specializes in manufacturing of customized masterbatch and pigments to suit the specific requirements of our customers/ manufacturers.

We are providing solutions such as all-in-one additive containing stabilisers, impact modifier, color pigments etc. to help the manufactures/ producers of UPVC, & CPVC pipes, Pipe fittings and manufacturing of other plastic products.

Renol is committed towards achieving customer satisfaction and performance excellence. Through leadership and teamwork, the company makes continual and timely improvements, focusing on meeting customer needs and the industry's highest standards. We achieve consistent quality performance by clear documentation of our systems and procedures, through ongoing training and from a sense of pride and ownership, at all levels of the organisation. As a result, we will continue to deliver quality products to increase our customer's trust and satisfaction.

Our impressive growth has been largely due to confidence in its own capability, infrastructure and team created over the years. Our company has been steadily diversifying as well as adding new products to its portfolio, besides adding additional infrastructure for increasing its manufacturing capability for its existing products. Our Company actively works for the benefit of their employees and labourers with prime focus being health, hygiene and welfare of the workforce to ensure that the safety and management norms are being complied with.

Quality is of the paramount importance as it can essentially make or break a brand. A failure to maintain quality standard can prove to be extremely detrimental to the business of our Company. We give quality the utmost priority at

all stages of production to ensure our customers are thoroughly satisfied. We have levels of quality checks in place to make sure that the requisite quality of the product is being achieved at every stage of manufacture from raw materials to packaged stock. We constantly endeavour to maintain and exceed customer expectations consistently in all aspects of quality.

## FINANCIAL SNAPSHOT

The following table sets forth a breakdown of our revenue from operations, as well as other key performance indicators, for the periods indicated:

(₹ In Lakh)

Particulars	As on September 30, 2024	As on March 31, 2024	As on February 17, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations <sup>(1)</sup>	2,885.87	644.93	4,581.30	4,166.77	2,678.77
Revenue CAGR (%) from FY 2022-2024	24.95%				
EBITDA <sup>(2)</sup>	318.32	225.28	391.25	132.52	40.80
EBITDA (%) Margin <sup>(3)</sup>	11.03%	34.93%	8.54%	3.18%	1.53%
EBITDA CAGR (%) from FY 2022-2024	147.43%				
EBIT <sup>(4)</sup>	311.96	228.01	391.74	134.36	37.22
ROCE (%) <sup>(5)</sup>	30.75%	37.42%	104.33%	32.17%	9.14%
Current ratio <sup>(6)</sup>	1.76	2.28	1.03	4.08	5.59
Operating cash flow <sup>(7)</sup>	(588.57)	120.20	41.92	(111.04)	22.28
PAT <sup>(8)</sup>	219.61	153.39	241.06	72.81	15.75
PAT Margin <sup>(9)</sup>	7.61%	23.78%	5.26%	1.75%	0.59%
Net Worth <sup>(10)</sup>	1088.90	869.30	246.24	270.63	188.09
ROE/ RONW <sup>(11)</sup>	20.17%	27.50%	93.28%	31.74%	11.22%
EPS <sup>(12)</sup>	4.00	2.79	NA	NA	NA

Notes:

- (1) Revenue from operations is the revenue generated from operations by our Company.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (4) EBIT is Earnings before Interest Cost and taxes.
- (5) ROCE: Return on Capital Employed is calculated as EBIT divided by average capital employed, which is defined as shareholders' equity plus long-term debt plus Current maturities.
- (6) Current Ratio: Current Asset over Current Liabilities
- (7) Operating Cash Flow: Net cash inflow from operating activities
- (8) PAT is mentioned as profit after tax for the period.
- (9) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (10) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- (11) ROE/ RONW: Return on Equity is calculated as PAT divided by average shareholders' equity
- (12) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.

KPI	Explanation
Revenue from operation	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.
Revenue CAGR %	Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis.
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

EBITDA CAGR %	EBITDA CAGR indicate our compounded growth of the business
ROCE %	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Current Ratio	Current ratio indicates the company's ability to bear its short-term obligations
Operating Cash Flow	Operating cash flow shows whether the company is able to generate cash from day-to-day business
PAT	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
ROC/RONW	ROC/RONW (%) is an indicator which shows how much company is generating from its available shareholders' funds
EPS	Earning per shares is the company's earnings available of one share of the Company for the period

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to *Annexure- IV* of Financial Statements as Restated beginning on page no 205 of this Draft Red Herring Prospectus.

### Factors Affecting our Results of Operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "*Risk Factors*" on page no 29 of this Draft Red Herring prospectus. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

Any adverse changes in central or state government policies;

1. Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
2. Loss of one or more of our key customers and/or suppliers;
3. An increase in the productivity and overall efficiency of our competitors;
4. Our ability to maintain and enhance our brand image;
5. Our reliance on third party suppliers for our raw materials;
6. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
7. Changes in technology and our ability to manage any disruption or failure of our technology systems;
8. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
9. The performance of the financial markets in India and globally;
10. Occurrences of natural disasters or calamities affecting the areas in which we have operations;
11. Market fluctuations and industry dynamics beyond our control;
12. Our ability to compete effectively, particularly in new markets and businesses;
13. Changes in foreign exchange rates or other rates or prices;
14. Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
15. Other factors beyond our control;
16. Our ability to manage risks that arise from these factors;
17. Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
18. Termination of customer contracts without cause and with little or no notice or penalty; and



19. Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

### Result of Operations

The following table sets forth select financial data from restated profit and loss accounts for the financial year(s)/ period ended on September 30, 2024, March 31, 2024, February 17, 2024, March 31, 2023 and March 31, 2022 and the components of which are also expressed as a percentage of total income for such periods.

(₹ in Lakh, except for percentage)

Particular		As at 30/09/20 24	% of Total Income	As at 31/03/2024	% of Total Income	As at 17/02/2024	% of Total Income	As at 31/03/2023	% of Total Income	As at 31/03/2022	% of Total Income
I	Revenue From Operations	2885.87	99.41	644.93	98.87	4,581.30	99.55	4,166.77	99.55	2,678.77	99.94
II	Other Income	16.95	0.58	7.38	1.13	20.77	0.45	18.97	0.45	1.48	0.06
III	<b>Total Revenue (I + II)</b>	<b>2902.83</b>	<b>100</b>	<b>652.31</b>	<b>100.00</b>	<b>4,602.07</b>	<b>100.00</b>	<b>4,185.74</b>	<b>100.00</b>	<b>2,680.25</b>	<b>100.00</b>
IV	Expenses										
	Cost of Goods Traded	2461.40	84.79	359.93	55.18	3,990.69	86.72	3,851.14	92.01	2,501.71	93.34
	Employee Benefits Expenses	26.54	0.91	11.08	1.70	23.00	0.50	14.82	0.35	14.00	0.52
	Finance Costs	20.56	0.70	10.19	1.56	52.57	1.14	36.22	0.87	16.54	0.62
	Depreciation and Amortization Expense	6.36	0.21	2.04	0.31	16.10	0.35	2.85	0.07	3.88	0.14
	Other Expenses	94.99	3.27	51.24	7.85	180.55	3.92	182.56	4.36	123.44	4.61
	<b>Total Expenses</b>	<b>2609.85</b>	<b>89.90</b>	<b>434.48</b>	<b>66.61</b>	<b>4,262.91</b>	<b>92.63</b>	<b>4,087.60</b>	<b>97.66</b>	<b>2,659.57</b>	<b>99.23</b>
V	<b>Profit before tax (III- IV)</b>	<b>292.97</b>	<b>10.09</b>	<b>217.82</b>	<b>33.39</b>	<b>339.16</b>	<b>7.37</b>	<b>98.14</b>	<b>2.34</b>	<b>20.68</b>	<b>0.77</b>
VI	Prior Period Item	-		-		-		-		-	
VI I	Extraordinary Items	-		-		-		-		-	
VII I	<b>Profit before tax (V+VI)</b>	<b>292.97</b>	<b>10.09</b>	<b>217.82</b>	<b>33.39</b>	<b>339.16</b>	<b>7.37</b>	<b>98.14</b>	<b>2.34</b>	<b>20.68</b>	<b>0.77</b>
IX	Tax Expense										
	a) Current Tax	(73.74)	(2.54)	(64.78)	(9.93)	(100.87)	(2.19)	(25.52)	(0.61)	(5.38)	-0.20
	b) Deferred Tax	0.37	0.01	0.34	0.05	2.77	0.06	0.18	0.00	0.44	0.02
	c) Short/Excess Provision of Last Year	-		-		-		-		-	
X	<b>Profit (Loss) for the period (VIII + XIV)</b>	<b>219.61</b>	<b>7.56</b>	<b>153.39</b>	<b>23.51</b>	<b>241.06</b>	<b>5.24</b>	<b>72.81</b>	<b>0.02</b>	<b>15.75</b>	<b>0.59</b>

### Main Components of our Profit and Loss Account

#### Revenue from operations:

Revenue from operations mainly consists of revenue from sale of Goods.

#### Other Income:

Our other income primarily comprises of Interest Income and other non-operating income.

#### Expenses:

Company's expenses consist of Cost of Goods Traded, Employee benefits expense, Finance Cost, Depreciation and Amortization Expenses and other expenses.

### **Cost of Goods Traded:**

Cost of Goods traded mainly consist of Opening stock, Purchases and Closing stock.

### **Employee benefits expense:**

Employee benefits expense primarily comprises of Salaries, wages & bonus expenses etc.

### **Finance Cost:**

Finance cost mainly included Bank Charges and Interest Expenses.

### **Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Furniture, Mobile, Air Cooler, Computer and Software, Vehicles, and Plant and Machineries etc.

### **Other Expenses:**

Our other expenses consist of Freight and Transportation Charges, Labour Charges, Power Charges, Other Direct Expenses, Advertising Expenses, Audit & Accounting Fees, Import Expenses, Communication Expenses, Insurance Charges, Legal, Professional & Consultancy Charges, Brokerage and Commission, Office and General Expenses, Printing and Stationery, Repairing Expenses, Payment to Partners, ROC & Other Fees, Travelling and Conveyance Expense etc.

## **RESULTS OF OPERATIONS FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

### **Revenues**

#### **Total Income:**

Total income for the period starting from April 01, 2024 to September 30, 2024 stood at ₹ 2902.83 Lakhs. The total income consists of revenue from the sale of goods and the other income.

#### **Revenue from Operations**

During the period, the net revenue from operation of our Company was ₹ 2885.87 Lakhs. The main contribution to the revenue from operations is from the sale of goods.

#### **Other Income:**

During the period, the other income of our Company stood at ₹ 16.95 Lakhs. The main components of the other income are interest income.

### **Expenditure**

#### **Total Expenses**

Total Expenses for the quarter ended September 30, 2024, stood at ₹ 2609.85 Lakhs which includes the following:

#### **Cost of Goods Traded**

Cost of Goods Traded which is the sum of Purchase of Traded Goods & Change in Inventory. Thus, for the quarter ended September 30, 2024 it stood at ₹ 2461.40 Lakhs which is bifurcated as follows:

(₹ in Lakhs)

<b>Particulars</b>	<b>As at September 30, 2024</b>
Purchases Cost	2761.63
Add: Opening stock	692.16
Less: Closing Stock	992.38
COGS	2461.40

**Employee benefits expense:**

The Employee benefit expense for the quarter ended September 30, 2024 stands at ₹ 26.54 Lakhs. The Total Employee Expenses constitutes of:

(₹ in Lakhs)

Particulars	As at September 30, 2024
Salaries, Wages and Bonus	26.54
<b>TOTAL</b>	<b>26.54</b>

**Finance Costs**

The Finance Cost for the quarter ended September 30, 2024, stood at ₹ 20.56 Lakhs, which includes:

(₹ in Lakhs)

Particulars	As at September 30, 2024
Bank Charges	1.58
Interest Expenses	18.98
<b>TOTAL</b>	<b>20.56</b>

**Depreciation and Amortization Expenses:**

The Depreciation and Amortization Expenses for the quarter ended September 30, 2024 stood at ₹ 6.36 Lakhs.

**Other Expenses:**

The Other Expenses for the quarter ended September 30, 2024, stood at ₹ 94.99 Lakhs, Other Expenses constitutes of:

(₹ in Lakhs)

Particulars	As at September 30, 2024
<b>Direct Expenses</b>	
Freight and Transportation Charges	37.98
Labour Charges	4.55
Power Charges	2.46
Other Direct Expenses	2.46
<b>Administrative Expenses</b>	
Advertising Expenses	0.52
Audit & Accounting Fees	0.60
Import Expenses	10.83
Communication Expenses	0.33
Insurance Charges	0.17
Legal, Professional & Consultancy Charges	22.71
Brokerage and Commission	1.08
Office and General Expenses	6.33
Printing And Stationery	0.40
Repairing Expenses	1.16
ROC & Other Fees	1.66
Travelling And Conveyance Expense	1.74
<b>TOTAL</b>	<b>94.99</b>

**Restated Profit Before Tax:**

As a result of the above factors, the restated Profit Before Tax for the quarter ending September 30, 2024 was ₹ 292.67 Lakhs.

**Tax Expense**

Tax Expense for the quarter ending September 30, 2024 stood at ₹ 73.37 Lakhs.

**Restated Profit After Tax**

As a result of the above factors, the restated Profit After Tax for the quarter ending September 30, 2024 stood at ₹ 219.61 Lakhs.

## **FISCAL YEAR ENDED MARCH 31, 2024, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2023**

Set forth below is a discussion of our results of operations for financial year ended March 31, 2024 over March 31, 2023.

### **Revenues**

#### **Total Income:**

Total income has increased from ₹ 4,185.74 Lakh for year ended March 31, 2023 to ₹ 5,254.38 Lakhs in year ended March 31, 2024 with a resultant increase of 25.53% in year ended March 31, 2024 mainly due to restructuring of business and significant increase in revenue from operations of the company.

#### **Revenue from Operations:**

Revenue from Operations has increased from ₹ 4,166.77 Lakh for year ended March 31, 2023 to ₹ 5,226.23 Lakhs in year ended March 31, 2024 with a resultant increase of 25.42% in year ended March 31, 2024.

#### **Other Income:**

Other Income increased from ₹ 18.97 Lakhs in year ended March 31, 2023 to ₹ 28.15 Lakhs in year ended March 31, 2024 with a resultant increase of 48.35 % in year ended March 31, 2024.

### **Expenditure**

#### **Total Expenses**

Total Expenses increased from ₹ 4,087.60 Lakhs in year ended March 31, 2023 to ₹ 4,697.40 Lakhs in year ended March 31, 2024 with a resultant increase of 14.91 % in year ended March 31, 2024.

#### **Cost of Good Traded**

Cost of Good Traded increased from ₹ 3,851.14 Lakhs in year ended March 31, 2023 to ₹ 4,350.63 Lakhs in year ended March 31, 2024 with a resultant increase of 12.96 % in year ended March 31, 2024 where increase in COGS is in line with increase in Sale of Products.

#### **Employee benefits expense:**

Employee Benefit Expenses increased from ₹ 14.82 Lakhs in year ended March 31, 2023 to ₹ 34.08 Lakhs in year ended March 31, 2024 with a resultant increase of 129.95 % in year ended March 31, 2024 mainly due to increase in the staff welfare expenses and salaries and wages including bonus.

#### **Finance Cost**

The Finance Cost increased from ₹ 36.22 Lakhs in year ended March 31, 2023 to ₹ 62.76 Lakhs in year ended March 31, 2024 with a resultant increase of 73.27 % in year ended March 31, 2024.

#### **Depreciation and Amortization Expenses:**

Depreciation and amortization increased from ₹ 2.85 Lakhs in year ended March 31, 2023 to ₹ 18.14 Lakhs in year ended March 31, 2024 with a resultant increase of 536.49 % in year ended March 31, 2024 due to increase in the value of property, plant and equipment & right of use assets.

#### **Other Expenses:**

Other expenses increase from ₹ 182.56 Lakhs in year ended March 31, 2023 to ₹ 231.79 Lakhs in year ended March 31, 2024 with a resultant increase of 26.97 % in year ended March 31, 2024.

#### **Restated Profit After Tax:**

Net Profit after tax increased from ₹ 72.81 Lakhs in year ended March 31, 2023 to ₹ 394.45 Lakhs in year ended March 31, 2024 with a resultant increase of 441.71 % in year ended March 31, 2024, major increase is due to increase in Sale of Goods which forms major portion of company's operations.

## **FISCAL YEAR ENDED MARCH 31, 2023, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022**

Set forth below is a discussion of our results of operations for financial year ended March 31, 2023 over March 31, 2022:

### **Revenues**

#### **Total Income:**

Total income has increased from ₹ 2,680.25 Lakhs in year ended March 31, 2022 to ₹ 4,185.74 Lakhs in year ended March 31, 2023 with a resultant increase of 56.16 % in year ended March 31, 2023 mainly due to increase in the revenue from Sale of Goods.

#### **Revenue from Operations:**

Revenue from Operations has increased from ₹ 2,678.77 Lakhs in year ended March 31, 2022 to ₹ 4,166.77 Lakhs in year ended March 31, 2023 with a resultant increase of 55.54 % in year ended March 31, 2023.

#### **Other Income:**

Other Income increased from ₹ 1.48 Lakhs in year ended March 31, 2022 to ₹ 18.97 Lakhs in year ended March 31, 2023 with a resultant increase of 1181.75 % in year ended March 31, 2023.

### **Expenditure**

#### **Total Expenses**

Total Expenses increased from ₹ 2,659.57 Lakhs in year ended March 31, 2022 to ₹ 4,087.60 Lakhs in year ended March 31, 2023 with a resultant increase of 53.69 % in year ended March 31, 2023.

#### **Cost of Goods Traded**

Cost of Good Traded increased from ₹ 2,501.71 Lakhs in year ended March 31, 2022 to ₹ 3,851.14 Lakhs in year ended March 31, 2023 with a resultant increase of 53.94 % in year ended March 31, 2023 where increase in COGS is in line with increase in Sale of Goods.

#### **Employee Benefits Expense:**

Employee Benefit Expenses increased from ₹ 14.00 Lakhs in year ended March 31, 2022 to ₹ 14.82 Lakhs in year ended March 31, 2023 with a resultant increase of 5.85 % in year ended March 31, 2023 mainly due to increase in the staff welfare expenses and salaries and wages including bonus.

#### **Finance Cost**

The Finance Cost increased from ₹ 16.54 Lakhs in year ended March 31, 2022 to ₹ 36.22 Lakhs in year ended March 31, 2023 with a resultant increase of 119.04% in year ended March 31, 2023.

#### **Depreciation and Amortization Expenses:**

Depreciation and Amortization expenses decreased from ₹ 3.88 Lakhs in year ended March 31, 2022 to ₹ 2.85 Lakhs in year ended March 31, 2023 with a resultant decrease of 26.69% in year ended March 31, 2023.

#### **Other Expenses:**

Other Expenses increased from ₹ 123.44 Lakhs in year ended March 31, 2022 to ₹182.56 Lakhs in year ended March 31, 2023 with a resultant increase of 47.89 % in year ended March 31, 2023.

#### **Restated Profit After Tax:**

Net Profit After Tax increased from ₹ 15.75 Lakhs in year ended March 31, 2022 to ₹ 72.81 Lakhs in year ended March 31, 2023 with a resultant increase of 362.28 % in year ended March 31, 2023.

## **CASH FLOWS**

The following table sets forth certain information relating to our cash flows in the periods indicated:

*(₹ in Lakhs)*

Particulars	As at September 30, 2024	FY 2023-24	FY 22-23	FY 21-22
Net Cash flow from/ (used in) Operating Activities	(588.57)	162.12	(111.04)	22.28
Net cash flow from/ (used in) investing activities	(24.32)	(35.17)	1.64	(1.54)
Net cash flow from/ (used in) financing activities	623.40	(37.65)	115.00	(19.64)
Cash and cash equivalents at the beginning of the period	101.37	23.09	6.49	5.39
Cash and cash equivalents at the closing of the period	111.88	112.38	12.08	6.49

### **CASH FLOWS FROM OPERATING ACTIVITIES**

#### **For The Period Ended September 30, 2024**

Net cash generated for operating activities was ₹ (588.57) lakhs in September 30, 2024. Profit Before Tax was ₹ 292.57 Lakhs in September 30, 2024. Adjustments primarily consisted of depreciation of ₹ 6.36 Lakhs and Finance Cost of ₹ 20.56 Lakhs.

Our operating cash flow before working capital adjustments was ₹ 319.89 Lakhs in September 30, 2024. The working capital adjustments in September 30, 2024 included, Trade Payable of ₹ (11.99) Lakhs, Other Current Liabilities of ₹ (22.66) Lakhs, Inventories of ₹ (300.23) Lakhs, Trade Receivables of ₹ (565.48) Lakhs, Other Current Assets of ₹ (8.09) Lakhs.

#### **For Financial Year Ended March 31, 2024**

Net cash generated for operating activities was ₹ 162.12 Lakhs in March 31, 2024. Profit Before Tax was ₹ 556.98 Lakhs in March 31, 2024. Adjustments primarily consisted of depreciation of ₹ 18.14 Lakhs and Finance Cost of ₹ 62.76 Lakhs.

Our operating cash flow before working capital adjustments was ₹ 637.88 Lakhs in March 31, 2024. The working capital adjustments in March 31, 2024 included, Trade Payable of ₹ 48.65 Lakhs, Other Current Liabilities of ₹ 12.09 Lakhs, Inventories of ₹ (381.67) lakhs, Trade Receivables of ₹ (140.96) Lakhs, Other Current Assets of ₹ (14.86) Lakhs and Tax & Other Adjustment of ₹ 0.97 Lakhs.

#### **For Financial Year Ended March 31, 2023**

Net cash generated for operating activities was ₹ (111.04) Lakhs in March 31, 2023. Profit before tax was ₹ 98.14 Lakhs in March 31, 2023. Adjustments primarily consisted of depreciation of ₹ 2.85 Lakhs and Finance Cost of ₹ 36.22 Lakhs.

Our operating cash flow before working capital adjustments was ₹ 137.22 Lakhs in March 31, 2023. The working capital adjustments in March 31, 2023 included, Trade Payable of ₹ 120.44 Lakhs, Other Current Liabilities of ₹ (19.58) Lakhs, Inventories of ₹ (190.33) Lakhs, Trade Receivables of ₹ (177.93) Lakhs and Other Current Assets of ₹ 19.13 Lakhs.

#### **For Financial Year Ended March 31, 2022**

Net cash generated for operating activities was ₹ 22.28 Lakhs in March 31, 2022. Profit before tax was ₹ 20.68 Lakhs in March 31, 2022. Adjustments primarily consisted of depreciation of ₹ 3.88 Lakhs and Finance Cost of ₹ 16.54 Lakhs.

Our operating cash flow before working capital adjustments was ₹ 41.10 Lakhs in March 31, 2022. The working capital adjustments in March 31, 2022 included, Trade Payable of ₹ (14.38) Lakhs, Other Current Liabilities of ₹ 16.34 Lakhs, Inventories of ₹ (16.80) Lakhs, Trade Receivables of ₹ (46.78) lakhs and Other Current Assets of ₹ 42.78 Lakhs.

## **CASH FLOWS FROM INVESTING ACTIVITIES**

### **For The Period Ended September 30, 2024**

Net cash used for investing activities for the period ended September 30, 2024 was ₹ (24.32) Lakhs.

### **For Financial Year Ended March 31, 2024**

Net cash used for investing activities for the year ended March 31, 2024 was ₹ (35.17) Lakhs.

### **For Financial Year Ended March 31, 2023**

Net cash used for investing activities for the year ended March 31, 2023 was ₹ 1.64 Lakhs.

### **For Financial Year Ended March 31, 2022**

Net cash used for investing activities for the year ended March 31, 2022 was ₹ (1.54) Lakhs.

## **CASH FLOWS FROM FINANCING ACTIVITIES**

### **For The Period Ended September 30, 2024**

Net cash used in financing activities for the year ended September 30, 2024 was ₹ 623.40 Lakhs, Changes in Borrowing of ₹ 648.75 Lakhs, Movement in Loan & Advances and Other Assets of ₹ (4.79) Lakhs and Finance Cost of ₹ (20.56) Lakhs.

### **For Financial Year Ended March 31, 2024**

Net cash used in financing activities for the year ended March 31, 2024 was ₹ (37.65) Lakhs, primarily due to Changes in Equity of ₹ 177.73 Lakhs, Changes in Borrowing of ₹ (277.74) Lakhs, Movement in Loan & Advances and Other Assets of ₹ 125.12 Lakhs and Finance Cost of ₹ (62.76) Lakhs.

### **For Financial Year Ended March 31, 2023**

Net cash used in financing activities for the year ended March 31, 2023 was ₹ 115.00 Lakhs, primarily due to Changes in Equity of ₹ 4.35 Lakhs, Changes in Borrowing of ₹ 155.29 Lakhs, Movement in Loan & Advances and Other Assets of ₹ (8.42) Lakhs and Finance Cost of ₹ (36.22) Lakhs.

### **For Financial Year Ended March 31, 2022**

Net cash used in financing activities for the year ended March 31, 2022 was ₹ (19.64) Lakhs, primarily due to Changes in Equity of ₹ 78.45 Lakhs, Changes in Borrowing of ₹ 37.81 Lakhs, Movement in Loan & Advances and Other Assets of ₹ (119.36) Lakhs and Finance Cost of ₹ (16.54) Lakhs.

## **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relates to remuneration, salary, loan and Issue of Equity Shares. For further details of related parties kindly refer chapter titled *“Financial Statement as Restated”* beginning on page no 205 of this Draft Red Herring Prospectus.

## **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**

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Other than as described in the section titled Risk Factors beginning on page 29 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company 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 no 29 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**

Our Company’s future costs and revenues will be determined by competition, demand/supply situation, interest rates quoted by banks & others. Also, the future costs and revenues can be indirectly impacted by an increase in the cost of services, manpower & cost of products.

**5. Total turnover of each major industry segment in which our Company operates**

The Company is in the services offerings that are vast and diverse, solutions such as all-in-one additive containing stabilisers, impact modifier, color pigments or additives to help the manufactures/ producers of UPVC, & CPVC pipes, Pipe fittings and manufacturing plastic products. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page no 115 of this Draft Red Herring Prospectus.

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “*Our Business*” beginning on page no 141 of this Draft Red Herring Prospectus, our Company has not announced any new product or service.

**7. Seasonality of business**

Our Company’s business is not seasonal in nature.

**8. Competitive conditions**

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on page nos 115 and 141 respectively of this Draft Red Herring Prospectus.

**9. Details of material developments after the date of last balance sheet i.e., September 30, 2024.**

After the date of last Balance sheet i.e., September 30, 2024, no material events have been occurred.

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## CAPITALISATION STATEMENT

*(₹ in Lakh, except for percentage)*

Particulars	Pre- Issue	Post Issue*
	September 30, 2024	
<b>Debt</b>		
Short Term Debt	886.84	[•]
Long Term Debt	19.82	[•]
<b>Total Debt</b>	<b>906.66</b>	<b>[•]</b>
<b>Shareholder's Funds (Equity)</b>		<b>[•]</b>
Share Capital	549.00	[•]
Reserves and Surplus	539.90	[•]
<b>Less: Miscellaneous Expenses not w/off</b>		<b>[•]</b>
<b>Total Shareholders' Fund (Equity)</b>	<b>1,088.90</b>	<b>[•]</b>
<b>Long Term Debt / Equity</b>	<b>0.01</b>	<b>[•]</b>
<b>Total Debt / Equity</b>	<b>0.83</b>	<b>[•]</b>

**Notes:**

*\*As per the Restated Financial Statement the Corresponding Post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement*

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## FINANCIAL INDEBTEDNESS

This is to certify that Renol Polychem Limited having Registered office at 307 Sanskar Heights NR RA, Circle 150 FT Ringh RD, Mavdi, Rajkot, Gujarat- 360004. In terms of the Articles of Association of the company, the Board is authorized to accept deposits from members either in advance of calls or otherwise, and generally accept deposits, raise loans or borrow or secure the payment of any sum of moneys to be borrowed together with the moneys already borrowed including acceptance of deposits apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, exceeding the aggregate of the paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) or upto such amount as may be approved by the shareholders from time to time.

The Company has obtained the necessary consents required under the relevant loan documentation with banks and financial institutions for undertaking activities, such as change in its capital structure, change in its shareholding pattern and change in promoter's shareholding which has a possible change in the management control of our Company.

As on September 30, 2024 the Company has total outstanding secured borrowings from banks and financial institutions aggregating to ₹ 906.66 lakhs. The Company has no outstanding unsecured loan, as per the certificate issued by M/s K M Chauhan and Associates, Chartered Accountants, dated December 13, 2024.

Set forth below is a brief summary of our aggregate borrowings from banks and financial institutions on a Standalone basis:

### SECURED BORROWINGS

As on September 30, 2024, we have availed secured loans of which the total outstanding amount secured loan is ₹904.45 lakhs as of date, the details of which are as under:

(₹In Lakhs)

Name of Lender	Nature of Security	Repayment Terms	Sanction	Rate of Interest	Tenure (Months)	No of Outstanding Instalments	Instalment (₹)	Outstanding as on September 30, 2024
IndusInd Bank Limited	Bhavesh M Harsoda Ownership properties as Collateral  <ul style="list-style-type: none"> <li>• RS No. 242, Palki 1, Plot No. 10, Shed No. 4 and 5, Veraval Kotde, Sangani Rajkot –</li> <li>• RS No. 108, TP No. 21, FP No. 29/P, O.P. no. 29, Plot No. 6 to 12, office no., 306, 307, 3<sup>rd</sup> floor Sanskar Heights,</li> </ul>	Repayment on Demand	Cash Credit- 995  Pre- Shipment credit (EPC/ PCFC- (100)  Post- Shipment credit (FBP/ FBD/PSFC- (100)  Letter of Credit- (200)  Buyer Credit- (300)  Total Fund Based- 995	Floating rate of CD-six months +0.89% 8.55% per annum	NA	NA	NA	872.02

	<p>opp. RK Empire, 150ft Ring Road, Rajkot</p> <ul style="list-style-type: none"> <li>• RS No. 242, Palki No.1, Plot No. 10, Shed No. 1 &amp; 2, Veraval, Kotde, sangani Rajkot</li> <li>• RS No. 395/1 and 395/2, Palki, TPS No. 4, FP No. 1018, palki Plot No. 59, Nr. Sagar Community Hall, off. New papalaya Vadi Rajkot</li> <li>• RS No. 238, palki Plot No. 10, Shed No. 3 Village Kotharia Rajkot</li> <li>• RS No. 199, Old RS No. 150/1, P1/P2 plot no. 4 &amp; 5, KK Auto Forge, vedant Industrial Area, Nr. Mukti Dham, Shaper Viraval, Rajkot</li> <li>• RS No. 238, palki Plot No. 10, Shed No. 1 Village Kotharia Rajkot</li> <li>• RS No. 238, palki</li> </ul>		<p>Total Non-Fund Based- 0</p>					
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	Plot No. 10, Shed No. 2 Village Kotharia Rajkot							
HDFC bank Limited	Vehicle - Fortuner 2.8 Legender D AT	39 instalments	42.16	14.89% per annum	39	29	1.24	32.43
<b>TOTAL</b>								<b>904.45</b>

## UNSECURED BORROWINGS

The Company have also availed Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on September 30, 2024.

(₹In Lakhs)

Sr. No.	Particulars	Amount
1.	From Directors & Relatives	Nil
2.	From Shareholders & others	2.21
	<b>Total</b>	<b>2.21</b>

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## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on December 05, 2024 determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% 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 other material litigations initiated against Company.

##### **(d) Other pending material litigations filed by the Company**

###### **1. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no Criminal Proceedings initiated by the Company.

###### **2. Civil and other Material Litigations**

As on the date of this Draft Red Herring Prospectus, there are no Civil and other Material Litigations initiated by the Company.

##### **(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.

## 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 criminal proceedings pending against the Promoters.

### (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 initiated by the statutory and regulatory authorities against the Promoters & Directors.

### (f) Disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by SEBI or stock exchanges against the Promoters, nor any penalties have been imposed in the last five years.

## C. LITIGATIONS INVOLVING THE SUBSIDIARY COMPANY OF THE COMPANY

As on the date of this Draft Red Herring Prospectus, there is no subsidiary of the Company.

## D. TAX PROCEEDINGS

Nature of Proceedings	Number of cases	Amount involved* (in ₹)
<b>Of the Company</b>		
Direct Tax (Income Tax)	-	-
Direct Tax (TDS)	-	-
Indirect Tax (GST)	-	-
<b>Of the Promoters and Directors</b>		
Mr. Bhaveshbhai Mansukhbhai Harsoda (Promoter and Director)	-	-
Mr. Naitikbhai Bhaveshbhai Harsoda	-	-

(Promoter and Director)		
Mr. Anandbhai Nalinbhai Pathak (Director)	1	370/-
Mrs. Nikita Gaurav Tank (Director)	-	-
Ms. Anjali Hukambhai Jeshani (Director)	-	-

**Tax proceedings initiated against Independent Directos is as below:**

**A. Income Tax notices issued against ANANDBHAI NALINBHAI PATHAK having PAN BCZPP9533M**

1. Notice issued for Communication of proposed adjustment u/s 143(1)(a) of Income Tax Act, 1961 Dated 18-11-2019 for AY 2019-20 Document Identification No. CPC/1920/G22/1956146655 it is stated that in schedule BP, Income chargeable under the head Profits and gains from Business or Profession and the sum of amount entered are inconsistent, that in schedule BP, Net profit or loss from business or profession other than speculative and specified business and the sum of amount entered are inconsistent, that In schedule BP, Income and the sum of amount entered are inconsistent, that In schedule BP, Profit or loss after adjustment for depreciation and the sum of amount entered Are inconsistent, that In Schedule BP, Income/receipt credited to profit and loss account considered under other heads of income Other Source value is more than the SUM of row no. 1(a), 1(b), 1(c), 1(e), 2(a), 2(b), 2(c), 2(d), 2(e) and 8(a) in Other source Schedule , that Variance on account of Proposed adjustment is Rs 370/- each.

**E. LITIGATION INVOLVING GROUP COMPANIES/FIRMS**

Litigation involving group companies are as below:

**A. GST NOTICES ISSUED AGAINST RENOL ENTERPRISE GST NO. 24AAKFR3494D1Z5 FOR - Gujarat, (Rajkot)**

1. Notice issued U/s 46 on Date of issuance being 26/08/2021 for not filing of return with notice id ZA240821162811P

**B. Income Tax notices issued against RIPAL POLYMERS having PAN AAKFR8020K**

1. Demand outstanding for ₹1,36,070/- along with Accrued Interest of ₹25,840/- with Demand Reference No: 2022202137134469585T for Assessment Year: 2021
2. Notice issued for Defective Return u/s 139(9) for Assessment Year: 2013-14, However Revised return filed later

**C. Income Tax notices issued against MANSUKHBHAI D HARSODA (HUF) having PAN AALHM6847C**

1. Notice issued for Adjustment u/s 143(1)(a) for Assessment Year: 2018-19, that Prescribed Time Limit u/s 143(1)(a) for submission of response has lapsed. However, ITR Processed with no Demand/Refund.

**F. 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. Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company's trade payables as per the last restated financial statements as material dues for the Company. The trade payables for the sub

period ended on September 30, 2024 were ₹213.95 Lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds 10.69 Lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed December 05, 2024. Based on these criteria, details of outstanding dues owed as on September 30, 2024 by our Company on are set out below:

(₹ in Lakhs)

Particulars	As at 30 September 2024	As at 31st March 2024	As as 31st March 2023	As at 31st March 2022
(i) Micro, Small and Medium Enterprises	-	-	-	-
(ii) Others	213.95	500.53	177.29	56.84
<b>TOTAL</b>	<b>213.95</b>	<b>500.53</b>	<b>177.29</b>	<b>56.84</b>

The details pertaining to net outstanding dues towards our material creditors as on September 30, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at [www.renolpolychem.com](http://www.renolpolychem.com). It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

#### **G. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

#### **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 no 223 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

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## GOVERNMENT AND OTHER APPROVALS

*Except as mentioned below, our Company has received the necessary consents, licenses, permissions, registrations 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 no further approvals are required for carrying on our present or proposed business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments 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.*

*For details in connection with the regulatory and legal framework within which we operate, see the section titled “**Key Industrial Regulations and Policies**” at page no 167 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 July 26, 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 July 26, 2024 authorized the Issue.
- c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated December 20, 2024.

#### **Approval from the Stock Exchange:**

- d) In-Principle approval dated [•] from NSE for using the name of the Exchange in the offer documents for listing of the Equity Shares on Emerge Platform of NSE, issued by our Company pursuant to the Issue.

#### **Agreements with NSDL and CDSL:**

- e) The company has entered into an agreement dated June 19, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited for the dematerialization of its shares.
- f) Similarly, the Company has also entered into an agreement dated May 07, 2024 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited for the dematerialization of its shares.
- g) The International Securities Identification Number (ISIN) of our Company is INE0VZX01015.

#### **Lenders Consent for the Issue**

Received Consent dated July 26, 2024 & October 08, 2024 from HDFC Bank Limited and IndusInd Bank Limited.

## II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

Sr. No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Certificate	Date of Expiry
1.	Certificate of Incorporation of 'Renol Polychem Private Limited'	U22209GJ2024PTC147599	The Companies Act, 2013	Registrar of Companies, Central Registration Centre	January 09, 2024	Valid Until Cancelled
2.	Certificate of Incorporation on change of name from 'Renol Polychem Private Limited' to 'Renol Polychem Limited'	U22209GJ2024PLC147599	The Companies Act, 2013	Registrar of Companies, Central Registration Centre	June 19, 2024	Valid Until Cancelled

## 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	In the Name of the Company	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Renol Polychem Limited	AANCR2791K	Income Tax Act, 1961	Income Tax Department, Government of India	January 09, 2024	Valid Until Cancelled
2.	Tax Deduction Account Number (TAN)	Renol Polychem Limited	RKTR09165C	Income Tax Act, 1961	Income Tax Department, Government of India	January 09, 2024	Valid Until Cancelled
3.	Certificate of Registration of Goods and Services Tax, Gujarat	Renol Polychem Limited	24AANCR2791K1ZV	Goods and Services Tax Act, 2017	Central Board of Indirect Taxation	February 08, 2024	Valid Until Cancelled

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**B. BUSINESS OPERATIONS RELATED APPROVALS:**


Sr. No	Description	Applicable Laws	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Udyam Registration Certificate	The Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprises	UDYAM-GJ-20-0161275	July 12, 2024	Valid till cancelled
2.	Certificate of registration under Gujarat Shops and Establishments (Regulation of Employment and Conditions of Services) Act, 2019	Gujarat Shops and Establishments (Regulation of Employment and Conditions of Services) Act, 2019	Gujarat Shops and Establishments Authority	20242025/SR/000142	August 05, 2024	Valid till cancelled
3.	Importer-Exporter Code	The Foreign Trade (Development and Regulation) Act, 1992	Office of the Joint Director General of Foreign Trade, Rajkot	AANCR2791K	February 23, 2024	Valid till cancelled


**C. LABOUR LAW RELATED APPROVALS:**

Sr. No	Description	In the Name of the Company	Registration number	Applicable laws	Authority	Date of Expiry
1.	Certificate of registration under Employees' State Insurance Act, 1948	Renol Polychem Limited	3700160820000999	Employees' State Insurance Act, 1948	Employee State Insurance Corporation	Valid till cancelled
2.	Factory License	Renol Polychem Limited	55285	The Factories Act, 1948	Joint Director Industrial Safety and Health, Rajkot Region	December 31 2028,
3.	Certificate of Registration under The Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Renol Polychem Limited	GJRAJ3175386000	The Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Employees Provident Fund	Valid till cancelled
4.	Professional Tax Certificate	Renol Polychem Limited	PEC04135055	The Gujarat state tax on professions, trades, callings and employment act, 1976	Rajkot Municipal Corporation	Valid till cancelled

**D. APPROVALS OBTAINED/APPLIED IN RELATION TO INTELLECTUAL PROPERTY RIGHT (IPR):**

The Company has applied for registration of following Trademark:

Sr. No.	Brandname/Logo/ Trademark	Class	Trademark	Owner	Application no./ Registration Certificate no.	Current Status
1.		17	Trade Mark	Renol Polychem Limited	6533254	Formalities Check-pass

2.		2	Trade Mark	Renol Polychem Limited	6753123	Application Filed
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**VI. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:**

S.No.	Domain	Registrant Organisation	Registered On	Expire On
1.	<a href="http://www.renopolychem.com">www.renopolychem.com</a>	ISK Technologies	25.12.2023	25.12.2025

**VII. APPROVALS OR LICENSES PENDING YET TO BE APPLIED:**

NIL

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## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The issue has been authorized by the Board of Directors vide a resolution passed at its Meeting held on July 26, 2024 subject to the approval of the shareholders of the Company and such other authorities, as may be necessary.

The shareholders of the Company have, pursuant to a special resolution passed in Extra Ordinary General Meeting held on July 26, 2024 authorized the Issue under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page no 242 of this Draft Red Herring Prospectus.

### In-Principle Listing Approval

We have received in principle approval from NSE vide their letter dated [●] to use the name of National Stock Exchange of India Limited in the Draft Red Herring Prospectus for listing of our Equity Shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, our Directors, our Promoters, Promoter Group, or the persons in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

There are no findings/ observations of any of the inspections of the SEBI or any other regulator which are material against our Company, promoters, directors or shareholders.

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 director.

Further none of our Promoter’s or Directors has been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company, nor our Promoter’s or Directors have been identified as a wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

None of our Company, Promoter’s or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the ‘Master Directions on Fraud-Classification and Reporting by commercial banks and select FIs’ dated July 1, 2016, as updated, issued by the RBI.

## DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Red Herring Prospectus.

## COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoter and Promoter Group follows the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

## ELIGIBILITY FOR THE ISSUE

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulation; and this Issue is an “Initial Public Issue” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue.

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company whose post Issue face value capital does not exceed twenty-five crores 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 Emerge Platform of NSE i.e. NSE SME.

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of Emerge platform of the NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

(a) The Issuer should be a company incorporated under the Companies Act, 2013.

Our Company was originally incorporated as a Partnership Firm in the name of Renol Enterprises on April 01, 2008. Subsequently our Partnership Firm converted into Private Limited Company under the name of “**Renol Polychem Private Limited**” on January 09, 2024 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad (Gujarat). Subsequently, the name of our company was changed from “**Renol Polychem Private Limited**” to “**Renol Polychem Limited**” and a Certificate of Incorporation pursuant to conversion into Public Limited dated June 19, 2024 issued by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U22209GJ2024PLC147599.

(b) The post issue paid up capital of the company (face value) shall not be more than ₹25.00 Crores.

(c) The present paid-up capital of the Company is ₹549.00 Lakhs and we are proposing an issue of up to 24,54,000 Equity Shares of ₹10/- each aggregating to ₹[●] Lakhs. Hence, the Post Issue Paid up Capital will be approximately ₹[●] Lakhs which less than ₹2,500.00 Lakhs.

(d) Our Company promoter satisfies the criteria of track record of 3 years. Details of financials of September 30, 2024, March 31, 2024, February 17, 2024, March 31, 2023 and March 31, 2022 which given hereunder based on Restated Financial Statement:

Particulars	(₹ in Lakhs)				
	September 30, 2024	March 31, 2024	February 17, 2024	March 31, 2023	March 31, 2022
Revenue from operations	2,885.87	644.93	4,581.30	4,166.77	2,678.77
Net Worth	1,088.90	869.30	246.24	-	-
Profit before tax	292.97	217.82	339.17	98.14	20.68

- (e) The Net-worth of our Company is Positive as per Restated Standalone Financial Statements.
- (f) Our Company has a website- [www.renolpolychem.com](http://www.renolpolychem.com).
- (g) Our Company had signed the tripartite agreements with both the Depositories and the Registrar and Share Transfer Agent.
- (h) There is no change in the Promoters of the Company in preceding one year from date of filing the application to NSE for listing under Emerge Platform.
- (i) The Company has not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by the court or a liquidator has not been appointed of competent jurisdiction against the Company.

**Other Disclosures:**

- a) No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the Company except as disclosed under the chapter titled ***“Outstanding Litigation and Material Developments”*** on page no 238 of this Draft Red Herring Prospectus.
- b) There are no Defaults 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), Company(ies), companies promoted by the promoters/promoting Company(ies) during the past three years. Except as mentioned in the Draft Prospectus. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- c) Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the company except as disclosed under the chapter titled ***“Outstanding Litigation and Material Developments”*** on page no 238 of this Draft Red Herring Prospectus.
- d) We have disclosed all details of the track record of the directors. For Details, refer the chapter ***“Outstanding Litigation & Material Developments”*** on page no 238 of this Draft Red Herring Prospectus.
- e) The Articles of Association of our Company is in compliance with the provisions of the Companies Act, 2013, SEBI Act and rules, regulations framed thereunder and no material clause has been left out which may have adverse impact on the Company.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange.
- To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:
  - a. Tripartite agreement dated June 19, 2024 with CDSL, our Company and Registrar to the Issue;
  - b. Tripartite agreement dated May 07, 2024 with NSDL, our Company and Registrar to the Issue;The Company's shares bear an ISIN: INE0VZX01015.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.

- The entire Equity Shares held by the Promoter is in dematerialized form.
- The entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. For details, please refer the chapter “*Objects of the Issue*” on page no 87 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- None of our Promoters or Directors is Promoter or Directors of companies which are debarred from accessing the capital markets by the SEBI.
- Neither our Company nor our Promoters or Directors is a willful defaulter.
- None of our Promoters or Directors has been declared as fugitive economic offender under Economic Offenders Act, 2018.
- The Issuer has operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application, as given below:

(In ₹ lakhs)

Particulars	As at		
	2023-24	2022-23	2021-22
Profit Before Tax	556.99	98.14	20.68
Add- Depreciation	18.14	2.85	3.88
Add- Interest	41.42	31.53	16.24
Less- Other Income	28.15	18.97	1.48
<b>Operating profit (earnings before depreciation, and tax) from operations</b>	<b>588.40</b>	<b>113.55</b>	<b>39.32</b>

The Issuer has positive Free cash flow to Equity (FCFE)\* for at least 2 out of 3 financial years preceding the application as given below:

(In ₹ lakhs)

Particulars	As at		
	2023-24	2022-23	2021-22
Net Cash flow from Operations	162.12*	-111.04	22.28
Less- Purchase of Fixed Assets (Net of sale proceeds of Fixed Assets)	35.17*	0.63	1.48
Add- Net Total Borrowings (Net of Repayment)	(277.73)*	155.29	37.81
Less- Interest expense x (1-T)	29.33*	23.39	12.37
<b>Free cash flow to Equity (FCFE)</b>	<b>(180.11)*</b>	<b>20.23</b>	<b>46.24</b>

\*for the financial year 2023-24 we combined the figures of partnership firm i.e. upto February 17, 2024 and also of the Company i.e. from February 18, 2024 to March 31, 2024.



The net worth as per the restated financial of the issuer as on standalone basis as on March 31, 2024 is ₹ 1115.54 Lakh September 30, 2024 is ₹ 1,088.90 lakhs.

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 and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall underwrite at least 15% of the total Issue size. For further details, pertaining to underwriting please refer to chapter titled **“General Information”** beginning on page no 62 of this Draft Red Herring Prospectus.

In accordance with Regulation 246 of the SEBI (ICDR) Regulations, we will file the Prospectus with SEBI as well as stock exchange. However, Board shall not issue any observation pursuant to Regulation 246(2) of the SEBI (ICDR) Regulations.

In accordance with Regulation 261 of the SEBI ICDR Regulations, we shall enter into an agreement with the BRLM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the market making arrangement see chapter titled “of this Draft Red Herring Prospectus.

In accordance with regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight 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 days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO 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 ISSUE DOCUMENT. THE BRLM, CORPORATE MAKERS CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH 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 AN INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS ISSUE DOCUMENT, THE BRLM IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLM, CORPORATE MAKERS CAPITAL LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 20, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE ISSUE DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS ISSUE DOCUMENT.**

**Note:** All legal requirements pertaining to the Issue will be complied with at the time of registration of this Draft Red Herring Prospectus with the ROC in terms of section 26 and 28 of the Companies Act, 2013.

### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company, the Directors and the BRLM 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.

### **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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative 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 Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakhs, pension funds with minimum corpus of ₹ 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue 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 the jurisdiction of appropriate court(s) in Haryana 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, except that this Draft Red Herring Prospectus has been filed with NSE for its observations and NSE shall give its observations in due course. 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

### **DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE**

National Stock Exchange of India Limited ("NSE") has given vide its letter dated [●] permission to our Company to use its name in this Issue Document as one of the Stock Exchanges on which this company's securities are proposed

to be listed on the EMERGE PLATFORM OF NSE. NSE has scrutinized this issue document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. NSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Issue document; or
- Warrant that this company's securities will be listed or will continue to be listed on NSE; or
- Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;
- warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this issue document have been cleared or approved by NSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE 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 for any other reason whatsoever;
- NSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this issue document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof;
- The Company has chosen the Emerge platform of NSE on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by NSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in New Delhi.

#### **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 of 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 (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations 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. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share 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.

#### **LISTING**

Application will be made to the "NSE" for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

Emerge Platform of NSE has given its in-principle approval for using its name in the Issue Document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the Emerge Platform of NSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within six Working Days from the Issue Closing Date.

### **Disposal of Investor Grievances by our Company**

Our Company has constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, please refer to the chapter titled "***Our Management***" beginning on page no 183 of this Draft Red Herring Prospectus.

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 Ten (10) 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 Mr. Ankur Rastogi, as the Company Secretary to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary are as follows:

#### **Mr. Ankur Rastogi**

C/o Renol Polychem Limited

**Address:** 307 Sanskar Heights NR RA, Circle 150 FT Ring RD, Mavdi, Rajkot, Gujarat- 360004

**Telephone:** +91-9723780726

**Website:** www.renolpolychem.com

**Email id:** compliance@renolpolychem.com

Investors can contact the Company Secretary 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, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. 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).

The Company shall obtain authentication on the SCORES and comply with the SEBI circular no. CIR/OIAE/1/2013 dated December 18, 2014 in relation to redressal of investor grievances through SCORES. As on the date of this Draft Prospectus there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

## **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.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **CONSENTS**

Consents in writing of: (a) The Directors, Promoters, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditors; and (b) the BRLM, Registrar to the Issue, the Legal Advisors to the Issue, Banker to the Issue<sup>(#)</sup>, Bankers to the company, Market Maker<sup>(#)</sup> and Underwriters to act in their respective capacities, have been or shall be duly obtained as the case may be and shall be filed along with a copy of the Prospectus with the ROC, as required under Section 26 and Section 28 of the Companies Act, 2013.

*\*The aforesaid will be appointed prior to filing of the 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, 2013 and the SEBI ICDR Regulations, M/s K M Chauhan & Associates Chartered Accountants, Statutory and Peer Review Auditors, have provided their written consent dated July 28, 2024 for the inclusion of their name and Statement of Possible Tax Benefits dated August 27, 2024 on possible tax benefits which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus.

## **EXPERT OPINION**

Except for the reports in the section titled “*Financial Statements as Restated*” and “*Statement of Possible Tax Benefits*” on page no 205 and 112 respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions.

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

**PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

Sr. No.	Issue name	Issue size (₹ Lakhs)	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	90 <sup>th</sup> calendar days from listing	180 <sup>th</sup> Calendar days from listing
	Not Applicable							

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**Summary statement of price information of past issues handled by Corporate Makers Capital Limited:**

Financial Year	Total no. of IPOs	Total Funds raised (₹ Cr)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar		
			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%
Not Applicable														

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## **PREVIOUS RIGHTS AND PUBLIC ISSUES**

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.

## **TRACK RECORD OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGER**

For details regarding track record of the 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.corporatemakers.in](http://www.corporatemakers.in).

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST FIVE YEARS**

Since this is an Initial Public Issue of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

## **CAPITAL ISSUES DURING THE LAST THREE YEARS BY OUR COMPANY, LISTED GROUP COMPANIES, SUBSIDIARIES & ASSOCIATES OF OUR COMPANY**

Except as disclosed in Chapter titled “*Capital Structure*” on page no 72 our Company has not made any capital issue during the previous three years.

We do not have any listed Group Company / Subsidiary / Associate as on date of this Draft Red Herring Prospectus.

## **STOCK MARKET DATA OF EQUITY SHARES**

This being an Initial Public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## **PERFORMANCE VIS-À-VIS OBJECTS**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no 72 we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI ICDR Regulations and this Issue is an “Initial Public Issue” in terms of the SEBI ICDR Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

## **OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

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## SECTION XI - 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 Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bidders with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the 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 24,54,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on July 26, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on July 26, 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 no 308 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 no 204 and 308 respectively of this Draft Red Herring Prospectus.

### **Face Value, Issue Price, Floor Price and Price Band**

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 will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. 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 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.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “*Basis of Issue Price*” beginning on page no 106 of this Draft Red Herring Prospectus.

### **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:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- 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 no 308 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 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 May 07, 2024 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated June 19, 2024 between CDSL, our Company and Registrar to the Issue.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹1,00,000/- (Rupees One Lakh) per application.

The trading of the Equity Shares will happen in the minimum contract size of [•] Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large. For further details, see **“Issue Procedure”** on page no 273 of this Draft Red Herring Prospectus.

### **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.

### **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.

## Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off- shore transactions in reliance on Regulations under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## 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 Registered 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.

## Issue Program

Event	Indicative Dates
Anchor Portion Issue Opning/ Closing Date	[●] <sup>1</sup>
Bid/ Issue Opening Date	[●]

Bid/ Issue Closing Date	[●] <sup>2 &amp; 3</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about [●]

*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.

<sup>3</sup>UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the blocked funds other than the original application amount shall be instantly revoked and the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the different amount (i.e., the blocked amount less the Bid Amount) shall be instantly revoked and the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of nonallotted/ partially allotted Bids, exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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 circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, , SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

The above timetable is indicative and does not constitute any obligation on our Company and the BRLM 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 3 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue 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.

Bids-Cum Application Forms 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 Bidding Centers mentioned in the Bid cum Application Form.

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 Book Running Lead Manager 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 limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date, and are advised to submit their Bids no later than prescribed time on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Working Days, during the Bid/Offer Period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

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

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

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days,

subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

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 no 62 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.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

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.

### **Migration to Main Board**

Our company may migrate to the main board of NSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹2500 Lakh 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 Promoters in favor 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-principle approval from the main board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board

Or

If the paid-up Capital of our company is more than ₹1000 Lakh but below ₹2500 Lakh, our Company 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 Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the EMERGE Platform, amongst others, has to fulfill following conditions:

<b>Parameter</b>	Migration policy from NSE SME Platform to NSE Main Board
<b>Paid up Capital &amp; Market Capitalisation</b>	The paid-up equity capital of the applicant shall not be less than ₹10 crores and the capitalisation of the applicant's equity shall not be less than ₹25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
<b>Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)</b>	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
<b>Listing period</b>	The applicant should have been listed on SME platform of the Exchange for at least 3 years
<b>Other Listing conditions</b>	<ul style="list-style-type: none"> <li>• The applicant Company has not referred to the Board of Industrial &amp; Financial Reconstruction (BIFR) &amp;/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li> <li>• The company has not received any winding up petition admitted by a NCLT.</li> <li>• The net worth* of the company should be at least ₹ 50 crores</li> </ul> <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p>
<b>Public Shareholders</b>	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
<b>The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:</b>	The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner. • Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed. • Redressal mechanism of Investor grievance • PAN and DIN no. of Director(s) of the Company • Change in Control of a Company/Utilization of funds raised from public



## **Market Making**

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of NSE Limited with compulsory market making through the registered Market Maker of the Emerge Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of NSE Limited.

For further details of the market making arrangement please refer to chapter titled “*General Information*” beginning on page no 62 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 Emerge platform of NSE Limited.

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.

## **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.

## **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, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided in “*Capital Structure*” on page no 72 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For

details, please refer “*Main Provisions of Articles of Association*” on page no 308 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **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.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

*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.*

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## ISSUE STRUCTURE

*This Issue is being made in terms of Regulation 229 (1) 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 Emerge platform of NSE Limited). 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 no. 258 and 273 of this Draft Red Herring Prospectus.*

### Issue Structure:

Initial Public Issue of upto 24,54,000 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) (the “Issue Price”), aggregating up to ₹[•] Lakhs (“the Issue”) by the issuer Company (the “Company”).

The Issue comprises a reservation of upto 1,23,600 Equity Shares of ₹10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of upto 23,30,400 Equity Shares of ₹10 each (“the Net Issue”). The Issue and the Net Issue will constitute [•]% and [•]%, 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	QIB's <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 Size available for allocation</b>	5% 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	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

		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		
<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 ASBA process	Only through the ASBA process (Except for Anchor investors)	Only through the ASBA process	Through the 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.*

*(2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

*(3) Subject to valid Bids being received at or above the Issue Price, 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.*

*(4) 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 page no 273 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.

#### **Lot Size**

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on Emerge exchange/platform and for the secondary market trading on such exchange/platform, as under:

<b>Issue Price (in ₹)</b>	<b>Lot Size (No. of shares)</b>
Upto 14	10000
More than 14 upto 18	8000
More than 18 upto 25	6000
More than 25 upto 35	4000
More than 35 upto 50	3000
More than 50 upto 70	2000
More than 70 upto 90	1600
More than 90 upto 120	1200
More than 120 upto 150	1000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1000	160
Above 1000	100

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLM, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

## 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

Event	Indicative Dates
Anchor Portion Issue Opning/ Closing Date	[●] <sup>1</sup>
Bid/ Issue Opening Date	[●]
Bid/ Issue Closing Date	[●] <sup>2 &amp; 3</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about [●]

**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.

<sup>3</sup>UPI mandate end time and date shall be at 5.00 p.m. on Bid/Offer Closing Date

\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the blocked funds other than the original application amount shall be instantly revoked and the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the different amount (i.e., the blocked amount less the Bid Amount) shall be instantly revoked and the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of nonallotted/ partially allotted Bids, exceeding three Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding three Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The

*BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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 circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, , SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

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) A standard cut-off time of 3.00 P.M. for acceptance of applications.
- b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual Bidders.
- c) 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).

*(This space has been intentionally left blank)*



## ISSUE PROCEDURE

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.*

*All Applicants shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations. The General Information Document will also be available on the websites of the Stock Exchange and the BRLM, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

*Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.*

*The 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 01, 2019, the UPI Mechanism for RIBs 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.*

*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 is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Offer has been undertaken under UPI Phase II, till any further notice issued by SEBI.*

*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/DIL1/CIR/P/2021/47 dated March 31, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to ₹5,00,000/- shall use the UPI Mechanism.*



*The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com](http://www.nseindia.com) For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE.*

*ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants (“DP”), Registrar to an Issue and Share Transfer Agent (“RTA”) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on <http://www.nseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above mentioned NSE website.*

*Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and 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 Draft Red Herring Prospectus.*

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (“Previous UPI Circulars”) and 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. 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 and the Previous UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** 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 Offer 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 the 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 using the UPI Mechanism 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. The Offer will be made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## PART A

### BOOK BUILDING PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under subscription, 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 dematerialised segment of the Stock Exchanges.

***Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.***

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the 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.

**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**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	Blue
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

\*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 Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company.

An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (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 DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the 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 Gujarat 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 Gujarat 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 no 273 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 Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus/ Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by 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 NRI'S:**

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 FPI 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 ACONFIRMATION 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: **“RENOL POLYCHEM LIMITED– ANCHOR ACCOUNT- R”**
- b. In case of Non-Resident Anchor Investors: **“RENOL POLYCHEM LIMITED– ANCHOR ACCOUNT- NR”**

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 abovementioned 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.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1,500	50.00%
1500	22	3,000	100.00%
2000	21	5,000	166.67%
2500	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 [●]
- 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 ICDR 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 DRHP.

### **GROUNDINGS 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 of Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors; [•] Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the 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 DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The 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.
- 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 DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with 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.

## **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 May 07, 2024 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated June 19, 2024 between CDSL, the Company and the Registrar to the Issue;
- c) The Company's equity shares bear an ISIN INE0VZX01015.

## **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 from 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 3 (three) 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 3 (three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) 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.

## MODE OF REFUNDS

- a) **In case of ASBA Applicants:** Within prescribed time, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) **In the case of Applications from Eligible NRIs and FPIs,** refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the applicant on account of conversion of foreign currency.
- c) **In case of Other Investors:** Within prescribed time, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

## MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the applicant as obtained from the Depository
- (ii) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants' through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the applicant, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Investors' account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Investors may refer to Red Herring Prospectus.

## **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.

## **Grounds for Rejections**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, the bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
- Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form
- Bids submitted on a plain paper
- Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI
- ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary
- Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
- Bids submitted without the signature of the First Bidder or sole Bidder
- The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
- Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
- GIR number furnished instead of PAN;
- Bids by RIBs with Bid Amount of a value of more than ₹2,00,000;
- Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals
- Bids accompanied by stock invest, money order, postal order or cash; and
- Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange
- Applications by OCBs;

## **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 3 (three) 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 3 (three) 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.

## 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 paidup 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.

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## SECTION XII – MAIN PROVISION OF ARTICLE OF ASSOCIATION

### THE COMPANIES ACT, 2013

### COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 2013)  
OF

### RENOL POLYCHEM LIMITED

### CONSTITUTION OF THE COMPANY

- a. The Regulations contained in table “F” of Schedule I to the Companies Act, 2013 shall apply to the Company only insofar as the same are not provided for or are not inconsistent with these Articles.
- b. The Regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

### DEFINITIONS AND INTERPRETATION

#### A. Definitions

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

“**Act**” means the Companies Act, 2013 along with the relevant Rules made there under, in force and any statutory amendment thereto or replacement thereof and including any circulars, notifications and clarifications issued by the relevant authority under the Companies Act, 2013, and applicable and subsisting provisions of the Companies Act, 1956, if any, along with the relevant Rules made there under. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

“**Annual General Meeting**” shall mean a General Meeting of the holders of Equity Shares held annually in accordance with the applicable provisions of the Act.

“**Articles**” shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

“**Auditors**” shall mean and include those persons appointed as such for the time being by the Company.

“**Board**” or “**Board of Directors**” shall mean the collective board of directors of the Company, as duly called and constituted from time to time, in accordance with Law and the provisions of these Articles.

“**Board Meeting**” shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.

“**Business Day**” shall mean a day on which scheduled commercial banks are open for normal banking business;

“**Capital**” or “**Share Capital**” shall mean the authorized share capital of the Company.

“**Chairman**” shall mean such person as is nominated or appointed in accordance with Article 35 herein below.

“**Companies Act, 2013**” shall mean the Companies Act, 2013 (Act 18 of 2013), as amended, including any statutory modification or re-enactment thereof, for the time being in force

“**Company**” or “**this Company**” shall mean **Renol Polychem Limited**

“**Committees**” shall have the meaning ascribed to such term in Article 66.

“**Depositories Act**” shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

“**Director**” shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with the Law and the provisions of these Articles.

“**Dividend**” shall include interim dividends.

“**Encumbrance**” shall mean any encumbrance including without limitation any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, option or right of pre-emption, entitlement to beneficial

ownership and any interest or right held, or claim that could be raised, by a third party or any other encumbrance or security interest of any kind;

**“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a fully diluted basis.

**“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR 10 (Rupees Ten) per equity share of the Company, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares of the Company.

**“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Shares or other Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

**“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act.

**“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

**“Law/Laws”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules or guidelines for compliance, of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or Ind-AS or any other generally accepted accounting principles.

**“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.

**“Office”** shall mean the registered office for the time being of the Company.

**“Paid-up”** shall include the amount credited as paid up.

**“Person”** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

**“Register of Members”** shall mean the register of Shareholders to be kept pursuant to Section 88 of the Act. (bb)

**“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company. (cc)

**“Rules”** shall mean the rules made under the Act and as notified from time to time.

**“Seal”** shall mean the common seal(s) for the time being of the Company, if any.

**“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992. **“SEBI Listing Regulations”** shall mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any statutory amendment thereto and any listing agreement entered into by the Company with the Stock Exchanges.

**“Securities” or “securities”** shall mean any Share (including Equity and Preference Shares), scripts, stocks, bonds, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares, and any other marketable securities.

**“Shares” or “shares”** shall mean any share issued in the Share Capital of the Company, including Equity Shares and preference shares.

**“Shareholder” or “shareholder” or “member”** shall mean any shareholder of the Company, from time to time.

**“Shareholders’ Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings, convened from time to time in accordance with the Act, applicable Laws and the provisions of these Articles.

**“Stock Exchanges”** shall mean BSE Exchange Limited, the National Stock Exchange of India Limited and any other stock exchange in India where the Securities are listed.

## **B. Interpretation**

In these Articles (unless the context requires otherwise):

- a. References to a person shall, where the context permits, include such person’s respective successors, legal heirs and permitted assigns.
- b. The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

- c. References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.
- d. Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- e. Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- f. The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- g. Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- h. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

### **EXPRESSIONS IN THE ACT AND THESE ARTICLES**

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

### **SHARE CAPITAL**

- a. The Authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company with such rights, privileges and conditions respectively attached thereto as may be from time to time and the Company may sub-divide, consolidate and increase the Share Capital from time to time and upon the sub-division of Shares, apportion the right to participate in profits in any manner as between the Shares resulting from the sub-division.
- b. The Company has power, from time to time, to increase or reduce its authorised or issued and Paid up Share Capital, in accordance with the Act, applicable Laws and these Articles. The Share Capital of the Company may be classified into Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- c. The Board may, subject to the relevant provisions of the Act and these Articles, allot and issue Shares as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or in respect of an acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any Shares which may be so allotted may be issued as fully/partly Paid-up Shares and if so issued shall be deemed as fully/partly Paid-up Shares.
- d. Except so far as otherwise provided by the conditions of issue or by these Articles, any Share Capital raised by the creation of new Shares, shall be considered as part of the existing Share Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- e. Any application signed by or on behalf of an applicant for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall for the purposes of these Articles, be a Shareholder.
- f. The money, (if any), which the Board shall, on the allotment of any Shares being made by them, require or

direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

## **PREFERENCE SHARES**

### **a. Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

### **b. Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible preference shares liable to be converted in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for conversion at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

## **PROVISIONS IN CASE OF PREFERENCE SHARES**

Upon the issue of preference shares pursuant to Article 5 above, the following provisions shall apply:

- a. No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- b. No such shares shall be redeemed unless they are fully paid;
- c. The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- d. Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "Capital Redemption Reserve Account" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- e. The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- f. The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- g. Whenever the Company shall redeem any redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar as required by Section 64 of the Act.

## **COMPANY'S LIEN**

### **A. On shares:**

- a. The Company shall have a first and paramount lien:
  - I on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

- II on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- b. The Company's lien, if any, on the shares, (not being a fully paid share), shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- c. For the purpose of enforcing such lien, the Board may sell such partly Paid-up shares, subject thereto in such manner as the Board shall think fit, and for that purpose may cause to be issued, a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to said shares be affected by any irregularity or invalidity in the proceedings in reference to the sale of such shares;

Provided that no sale of such shares shall be made:

- I unless a sum in respect of which the lien exists is presently payable; or
- II until the expiration of 14 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.

The net proceeds of any such 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. 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.

- d. No Shareholder shall exercise any voting right in respect of any shares or Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
- e. Subject to the Act and these Articles, the right of lien under this Article 7 shall extend to other Securities.

## CALLS

- a. Subject to the provisions of Section 49 of the Act, the terms on which any shares may have been issued and allotted, the Board may, from time to time, by a resolution passed at a meeting of the Board, make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- b. 14 (fourteen) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment, provided that before the time for payment of such call, the Board may revoke or postpone the same.
- c. The call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date as shall be fixed by the Board.
- d. The joint holder of a share shall be jointly and severally liable to pay all installments and calls due in respect thereof.
- f. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- g. If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof, he shall be liable to pay interest on the same

from the day appointed for the payment to the time of actual payment at 10 (ten) per cent per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder and the Board shall be at liberty to waive payment of such interest either wholly or in part.

- h. Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- i. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt and the same shall be recovered by the Company against the Shareholder or his representative from whom it is ought to be recovered, unless it shall be proved, on behalf of such Shareholder or his representatives against the Company that the name of such Shareholder was improperly inserted in the Register of Members or that the money sought to be recovered has actually been paid.
- j. The Company may enforce a forfeiture of shares under Article 11 below notwithstanding the following : (i) a judgment or a decree in favour of the Company for calls or other money due in respect of any share; (ii) part payment or satisfaction of any calls or money due in respect of any such judgment or decree; (iii) the receipt by the Company of a portion of any money which shall be due from any Shareholder to the Company in respect of his shares; and (iv) any indulgence granted by the Company in respect of the payment of any such money.
- k. The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board may agree upon; provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. Provided always that if at any time after the payment of any such money the rate of interest so agreed to be paid to any such Member appears to the Board to be excessive, it shall be lawful for the Board from time to time to repay to such Member so much of such money as shall then exceed the amount of the calls made upon such shares in the manner determined by the Board. Provided also that if at any time after the payment of any money so paid in advance, the Company shall go into liquidation, either voluntary or otherwise, before the full amount of the money so advanced shall have become due by the members to the Company, on installments or calls, or in any other manner, the maker of such advance shall be entitled (as between himself and the other Members) to receive back from the Company the full balance of such moneys rightly due to him by the Company in priority to any payment to members on account of capital, in accordance with and subject to the provisions of the Act.
- l. No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

#### **TRANSFER AND TRANSMISSION OF SHARES**

- A. The Company shall record in the Register of Members fairly and distinctly particulars of every transfer or transmission of any share, Debenture or other Security held in a material form.



- B. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- C. (I) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.
- (II) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- D. Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee has been entered in the Register of Members in respect thereof.
- E. Subject to the provisions of the Act, a person entitled to a share by transmission shall, subject to the right of the Board to retain such Dividends as hereinafter provided in Article 72(g) be entitled to receive, and may give a discharge for any dividends or other moneys payable in respect of the shares.
- F. The Board shall have power on giving not less than 7 (seven) days' previous notice or such lesser period as may be specified by SEBI, by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated and by publishing a notice on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- G. Subject to the provisions of Sections 58 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.
- Provided that, registration of a 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 Company on any account whatsoever except where the Company has a lien on shares.
- H. Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transfer / transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- I. Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/ transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the listing requirements of the relevant Stock Exchanges on the ground that the number of shares to be transferred is less than any specified number.
- J. In case of the death of any one or more shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder(s) recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- K. The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders) or his nominee(s), shall be the only Shareholders

recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 9 (a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

- L. (I) Subject to the provisions of Articles and the Act, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- M. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.
- I. Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to register himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.
- II. Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a unpaid dividend account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.
- III. In case of transfer and transmission of shares or other securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.
- N. Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- O. No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration or other similar documents.
- P. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- Q. The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any

requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

### **DEMATERIALIZATION OF SECURITIES**

- a. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed there under, if any.
- b. Subject to the applicable provisions of the Act, the Company may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- c. If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- d. Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

- e. Rights of Depositories & Beneficial Owners:

- I Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
  - II Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
  - III Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
  - IV The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- f. Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them, subject to Article 17(l).

- g. Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

h. Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

i. Service of Documents :

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

j. Transfer of Securities :

I Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

II In the case of transfer or transmission of shares or other Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

k. Allotment of Securities dealt with in a Depository :

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

l. Certificate Number and other details of Securities in Depository :

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

m. Provisions of Articles to apply to Shares held in Depository :

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

n. Depository to furnish information :

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

o. Option to opt out in respect of any such Security :

Subject to compliance with applicable Law, if a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

p. Overriding effect of this Article:

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

## **FORFEITURE OF SHARES**

- a. If any Shareholder fails to pay any call or installment of a call or any part thereof or any money due in respect of any share either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to such Shareholder or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- b. The notice shall name a day, (not being less than 14 (fourteen) days from the date of service of notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- c. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act.
- d. When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- e. Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- f. Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- g. The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- h. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles 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 shares.
- i. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- j. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or

certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

- k. The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
- l. The Directors may subject to the provisions of the Act, accept a surrender of any share certificates from or by any Shareholder desirous of surrendering them on such terms as the Directors think fit.

### **ALTERATION OF SHARE CAPITAL**

Subject to these Articles and Section 61 of the Act, the Company may, by an Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- a. increase its Share Capital by such amount as it thinks expedient;
- b. consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares:
- c. Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- d. convert all or any of its fully Paid up shares into stock, and reconvert that stock into fully Paid up shares of any denomination;
- e. sub-divide its existing Shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- f. cancel its Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this Article shall not be deemed to be reduction of Share Capital within the meaning of the Act.

### **REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act, from time to time by a Special Resolution, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

### **POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own Equity Shares or other Securities, as may be specified by the Act read with Rules made there under from time to time, by way of a buy- back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the applicable Laws.

### **POWER TO MODIFY RIGHTS**

- a. Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may be varied, subject to the provisions of Section 48 of the Act and applicable Laws, and whether or not the Company is being wound up, be varied provided the same is affected with consent in writing of the holders of not less than three-fourths of the issued shares of that class or by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class.
- b. To every such separate meeting, the provisions of these Articles 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.

- c. 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 paripassu therewith.

### **REGISTERS TO BE MAINTAINED BY THE COMPANY**

- a. The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act
  - I A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
  - II A register of Debenture holders; and
  - III A register of any other security holders.
- b. The Company may keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- c. The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

### **SHARES AND SHARE CERTIFICATES**

- a. The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- b. A duplicate certificate of shares may be issued, if such certificate:
  - I is proved to have been lost or destroyed; or
  - II has been defaced, mutilated or torn; and is surrendered to the Company.
- c. The Company shall be entitled to dematerialise its existing Shares, rematerialise its Shares held in the depository and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, and the regulations framed there under, if any.
- d. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding rupees fifty for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.

- e. The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- H. When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- I. All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on

the authority of a resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

- J. The Secretary of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (g) of this Article.
- K. All books referred to in sub-article (h) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- L. The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- M. If any Shares stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of such Shares shall be severally as well as jointly liable for the payment of all deposits, installments and calls due in respect of such Shares, and for all incidents thereof according to these Articles.
- N. Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such Equity Shares or whose name appears as the beneficial owner of such Equity Shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such Equity Shares on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any Equity Shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them. The Company shall not be bound to register more than 3 (three) persons as the joint holders of any share except in the case of executors or trustees of a deceased member.

#### **SHARES AT THE DISPOSAL OF THE DIRECTORS**

- O. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.
- P. Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the Stock Exchanges and SEBI, the Directors may impose the condition that the shares in or debentures of the Company so allotted shall not be transferable for a specified period.
- Q. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- R. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.



- S. In accordance with Section 56 and other applicable provisions of the Act and the Rules:
- I Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under section 46 of the Act and the Rules framed there under. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. A certificate issued under the Seal of the Company, if any, or signed by two Directors or by a Director and the Secretary, specifying the Shares held by any Person shall be prima facie evidence of the title of the Person to such Shares. Where the Shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.
  - II Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment in case of Shares and 6 (six) months from the date of allotment in case of Debentures, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of share shall be in the form and manner as specified in Article 17 above and in respect of a 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 of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled but shall not be bound, to prescribe a charge not exceeding Rs. 20 (Rupees 20).
  - III the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot. Where share certificates are issued in either more or less than marketable lots, sub-division or consolidation of share certificates into marketable lots shall be done free of charge.
  - IV A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

#### **UNDERWRITING AND BROKERAGE**

- T. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in connection with the subscription or procurement of subscription to its securities, whether absolute or conditional, for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- U. The Company may also, on any issue of shares or Debentures, pay such reasonable brokerage as may be lawful.

#### **FURTHER ISSUE OF SHARE CAPITAL**

- V. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
  - (I) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:
    - A) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than

- 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- B) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article 20(a)(i)A above shall contain a statement of this right;
- C) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company.
- (II) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
- W. to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in sub-articles (i) or Article (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules and such other conditions, as may be prescribed under Law.
- X. The notice referred to in sub-clause A of Article 20(a)(i)(A) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- Y. Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company.

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

- Z. The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act and the Rules.

### **NOMINATION BY SECURITIES HOLDERS**

- A. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- B. Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.
- C. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- D. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- E. The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and

## **NOMINATION FOR DEPOSITS**

A security holder may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

## **NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

## **BORROWING POWERS**

- A. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
- (I) accept or renew deposits from Shareholders;
  - (II) borrow money by way of issuance of Debentures;
  - (III) borrow money otherwise than on Debentures;
  - (IV) accept deposits from Shareholders either in advance of calls or otherwise; and
  - (V) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.
- B. Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.
- C. Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board (not by circular resolution) shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company (including its uncalled Capital), both present and future. and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- D. Subject to the applicable provisions of the Act and these Articles, any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

- E. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board. Company shall have the power to keep in any state or country outside India a branch register of debenture holders resident in that state or country.
- F. Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- G. The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

### **SHARE WARRANTS**

- A. Share warrants may be issued as per the provisions of applicable Law.
- B. Power to issue share warrants  

The Company may issue share warrants subject to, and in accordance with the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up on application in writing signed by the persons registered as holder of the share, and authenticated, by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- C. Deposit of share warrant
  - (I) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.
  - (II) Not more than one person shall be recognised as depositor of the share warrant.
  - (III) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.
- D. Privileges and disabilities of the holders of share warrant
  - (I) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notices from the Company.
  - (II) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the Register of Members as the holder of the share included in the warrant, and shall be a Member of the Company.
- E. Issue of new Share Warrant or Coupon  
The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

### **CONVERSION OF SHARES INTO STOCK AND RE-CONVERSION**

- a. The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the

same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

- b. 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 privileges or advantages, (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.
- c. Where the shares are converted into stock, such of the Articles 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.

### **CAPITALISATION OF PROFITS**

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- A. that it is desirable to capitalize 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 Company's profit and loss account or otherwise, as available for distribution, and
- B. that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- C. The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
  - 1. paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
  - 2. paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
  - 3. partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- D. A securities premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

### **RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE**

- A. The Board shall give effect to a Resolution passed by the Company in pursuance of this Article 28.
- B. Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
  - (I) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
  - (II) generally do all acts and things required to give effect thereto.
- C. The Board shall have full power:
  - 1. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

2. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- D. Any agreement made under such authority shall be effective and binding on all such shareholders.

### **ANNUAL GENERAL MEETING**

In accordance with the provisions of Section 96 of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, subject to the provisions of the Act, not more than 15 (fifteen) months' gap shall elapse between the date of one Annual General Meeting and that of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

### **WHEN ANNUAL GENERAL MEETING TO BE HELD**

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 (1) of the Act to extend the time within which any Annual General Meeting may be held.

### **VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

- A. Every Annual General Meeting shall be called during business hours as specified under the Act or Rules on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- B. Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the Registrar, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

### **NOTICE OF GENERAL MEETINGS**

- A. Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served. However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (I) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company;
- (II) Auditor or Auditors of the Company; and
- (III) All Directors.

The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

- B. Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the

- business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
- C. Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either in writing or through electronic mode as prescribed in the Act and relevant Rules thereunder personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
- D. Special Business : Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special. In case of an Annual General Meeting of the Company, all business to be transacted thereat shall be deemed to be special with the exception of the business specified in Section 102 of the Act.
- E. Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- F. Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- G. Notice when not necessary: 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.
- H. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

#### **REQUISITION OF EXTRAORDINARY GENERAL MEETING**

- A. The Board may, whenever it thinks fit, call an Extraordinary General Meeting or it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- B. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- C. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty -one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- D. Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- E. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any

business which has not been mentioned in the notice or notices by which it was convened.

- F. The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions under the Act read with the Companies (Management and Administration) Rules, 2014.

### **NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the meeting if convened by or upon the requisition of Members, shall stand dissolved but in case of any other Shareholders' Meeting shall be adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day at such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

### **CHAIRMAN**

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their members to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

### **CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **DEMAND FOR POLL**

- A. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded in accordance with the Act, be decided in the manner set out in the Act. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- B. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- C. If a poll is demanded as aforesaid, the same shall be subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situated and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- D. Where a poll is to be taken, the Chairman of the meeting shall appoint such number of scrutinizers as prescribed under the Act and Rules to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from



office and fill vacancies in the office of scrutiner arising from such removal or from any other cause.

- E. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith.
- F. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- G. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- H. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

### **PASSING RESOLUTIONS BY POSTAL BALLOT**

- A. Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- B. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

### **VOTES OF MEMBERS**

- A. No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- B. Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- C. On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- D. A Shareholder 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, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- E. If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may

appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint - holders shall be entitled to be present at the meeting. Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

- F. Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- G. Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- H. Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the seal of such corporation or be signed by an officer or an attorney duly authorized by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting. An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- I. A Shareholder present by proxy shall be entitled to vote only on a poll.
- J. Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.
- K. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- L. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at
- M. which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- N. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
- (I) The Company shall cause minutes of the proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (II) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

- (III) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (IV) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
- (V) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
- (VI) Any such Minutes shall be evidence of the proceedings recorded therein.
- (VII) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
- (VIII) The Company shall cause minutes to be duly entered in books provided for the purpose of:
  - A. the names of the Directors and Alternate Directors present at each General Meeting;
  - B. all Resolutions and proceedings of General Meeting.
- O. All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- P. Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
- Q. The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, SEBI Listing Regulations or any other Law, if applicable to the Company.

## **DIRECTORS**

The following shall be the First Directors of the Company:

- 1) Bhaveshbhai Mansukhbhai Harsoda
- 2) Naitik Bhaveshbhai Harsoda

- a. Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). However, the Company may at any time appoint more than 15 (fifteen) directors after passing Special Resolution at a General Meeting. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.
- b. Subject to Article 41(a), Sections 149, 152 and 163 of the Act and other provisions of the Act, the Company may increase or reduce the number of Directors.
- c. The Company may, and subject to the provisions of Section 169 of the Act, remove any Director before the expiration of his period of office and appoint another Director.

## **CHAIRMAN OF THE BOARD OF DIRECTORS**

- a. The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- b. If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

#### **APPOINTMENT OF ALTERNATE DIRECTORS**

Subject to Section 161 of the Act, the Board shall be entitled to nominate an alternate director to act for a director of the Company during such director's absence for a period of not less than 3 (three) months from India. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

#### **CASUAL VACANCY AND ADDITIONAL DIRECTORS**

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 40. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

#### **DEBENTURE DIRECTORS**

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company, but shall automatically cease and vacate office as a Director if and when the Debentures are fully discharged.

#### **INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed SEBI Listing Regulations.

#### **NOMINEE DIRECTORS**

- a. The Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any Law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government Company.
- b. So long as any moneys remain owing by the Company to The Industrial Development Bank of India, Industrial Finance Corporation of India, The Industrial Credit and Investment Corporation of India Limited, The Industrial Reconstruction Corporation of India Limited, Life Insurance Corporation of India, General Insurance Corporation of India, National Insurance Company Limited, The Oriental Fire & General Insurance Company Limited, The New India Assurance Company Limited, United India Insurance Company Ltd., Karnataka State Industrial

Investment and Development Corporation Ltd. or any State Financial Corporation or any Financial Institution owned or controlled by the Central Government or any State Government or the Reserve Bank of India or by two or more of them by Central Government themselves (each of the above and Unit Trust of India are hereinafter referred to as the Corporation) out of any loans/debentures, assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of any guarantee furnished by the Corporation on behalf of the Company and remaining outstanding, the Corporation shall have a right to appoint from time to time, any person as Director, Wholetime or non- Wholetime (which Director or Directors, is/are hereinafter referred to as 'Nominee Director/s') on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person in his or their places. The Board shall have no power to remove from the office of the Nominee Directors. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation. Subject as aforesaid, Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Directors of the Company.

#### **PERIOD OF HOLDING OF OFFICE BY NOMINEE DIRECTORS**

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said powers shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/ shares in the Company or on the satisfaction of liability of the Company arising out of any guarantee furnished by the Corporation.

#### **APPOINTMENT OF SPECIAL DIRECTORS**

On behalf of the Company, whenever Directors enter into a contract with any Government, Central, State or Local, any Bank or Financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or entering into any other arrangement whatsoever the Directors shall have, subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have right to appoint or nominate by notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement and that such Director or Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill in any vacancy which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with the appointer.

#### **NO QUALIFICATION SHARES FOR DIRECTORS**

A Director shall not be required to hold any qualification shares of the Company.

#### **REMUNERATION OF DIRECTORS**

- a. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- b. Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- c. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits

prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

- d. All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board subject to Section 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles. Notwithstanding anything contained in this Article, the Independent Directors shall not be eligible to receive any stock options.

#### **SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR**

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

#### **MISCELLANEOUS EXPENSES OF DIRECTORS**

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: (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the Company. The rules in this regard may be framed by the Board of Directors from time to time.

#### **CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 40 hereof, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

#### **DISQUALIFICATION AND VACATION OF OFFICE BY A DIRECTOR**

- a. A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualifications as set out in section 163 and other relevant provisions of the Act. Further, on and after being appointed as a Director, the office of a Director shall ipso facto be vacated on the occurrence of any of the circumstances under section 167 and other relevant provisions of the Act.
- b. Subject to the applicable provisions of the Act, the resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later.

#### **RELATED PARTY TRANSACTIONS AND DISCLOSURE OF INTEREST**

The Company shall comply with the applicable provisions of the Act, Rules framed thereunder and other relevant provisions of Law in respect of related party transactions and the Directors shall comply with the disclosure of interest provisions under the Act.

#### **RETIREMENT OF DIRECTORS BY ROTATION**

- a. At every Annual General Meeting of the Company, one third of such of the Directors as are liable to retire by rotation in accordance with section 152 of the Act (excluding Independent Directors), or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.
- b. The Directors to retire by rotation shall be those who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Provided that and to the extent permissible under the Act, the Managing Director, joint managing director, deputy managing director, manager or whole-time Director(s) appointed or such other directors nominated pursuant to Articles 44 and 46 hereto shall not retire by

rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

#### **PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

- a. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- b. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:
  - (I) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - (II) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
  - (III) he is not qualified or is disqualified for appointment;
  - (IV) a resolution whether Special or Ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or
  - (V) Section 162 of the Act is applicable to the case.

#### **MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

Subject to the provisions of Section 203 of the Act and other applicable provisions of the Act and of these Articles, the Board may appoint from time to time one or more of their Directors to be the Managing Director or joint managing director or whole time director or deputy managing director or manager of the Company on such terms and on such remuneration (in any manner, subject to it being permissible under the Act) partly as the Board may think fit in accordance with the applicable provisions of the Act and the Rules thereunder. Subject to the provisions of the Act, the Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager of the Company so appointed by the Board shall not while holding that office, be subject to retirement by rotation or taken into account in determining the rotation of retirement of directors, but their appointment shall be subject to determination ipso facto if they cease from any cause to be a director or if the company in General Meeting resolve that their tenure of the office of Managing Director or Joint Managing Director or Wholetime Director or Deputy Managing Director or Manager be determined.

#### **PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT**

- a. Unless permitted under the Act, the Company however, shall not appoint or employ at the same time more than one of the following categories of management personnel namely, a managing director and manager.
- b. The remuneration of a Managing Director/ whole time director or executive director or manager shall (subject to Sections 196, 197 and other applicable provisions of the Act, the Rules thereunder and of these Articles and of any contract between him and the Company) be paid in the manner permitted under the Act.

#### **POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the provisions of the Act, the Directors, may from time to time entrust and confer upon a Managing Director, whole time director(s), executive director(s) or managers for the time being such of the powers exercisable upon such terms and conditions and with such restrictions as they may think fit either collaterally with or to the

exclusion of and in substitution for all or any of their own powers and from time to time revoke, withdraw, alter or vary ail or any of such powers.

### **POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

- a. to make calls on Shareholders in respect of money unpaid on their shares;
- b. to authorise buy-back of securities under Section 68 of the Act;
- c. to issue securities, including debentures, whether in or outside India;
- d. to borrow money(ies);
- e. to invest the funds of the Company;
- f. to grant loans or give guarantee or provide security in respect of loans; and
- g. any other matter which may be prescribed under the Act, Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations to be exercised by the Board only by resolutions passed at the meeting of the Board.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above. In respect of dealings between the company and its bankers the exercise by the company of the powers specified in clause (d) shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day to day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the restrictions on the powers of the Board under section 180 of the Act.

### **PROCEEDINGS OF THE BOARD OF DIRECTORS**

- a. At least 4 (four) Board Meetings shall be held in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings.
- b. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed under the Act, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- c. The Secretary, as directed by a Director, or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- d. The Board may meet either at the Office of the Company, or at any other location in India or outside India, as the Chairman may determine.
- e. At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles



by a shorter notice in case of any urgent matters as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

- f. At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

### **QUORUM FOR BOARD MEETING**

#### **a. Quorum for Board Meetings**

- (I) Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio-visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.
- (II) If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned to such other time as may be fixed by the Chairman.

### **CASTING VOTE**

Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

### **POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law:

- a. The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of association of the Company.
- b. The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

- (I) Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
- (II) Remit, or give time for repayment of, any debt due by a Director;
- (III) Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
- (IV) Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

Provided further that prior permission of the Company in a General Meeting shall be required for making a contribution, in any Financial Year, to bonafide charitable and other funds in excess of an aggregate amount equivalent to 5 (five) % of the Company's average net profits for the 3 (three) immediately preceding Financial Years.

c. Certain Powers of the Board

Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article and other provisions of the Act, it is hereby declared that the Directors shall have the following powers, that is to say, power:

- (I) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.
- (II) Payment out of Capital: To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of Sections 40(6) of the Act,
- (III) To acquire property: Subject to Sections 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights, privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they think fit, and in any such purchases or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory,
- (IV) To pay for property, etc.: At their discretion and subject to the provisions of the Act, to pay for any property, rights, or privileges acquired or services rendered in the Company either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the such amount credited as paid up thereon as may be agreed upon and any such bonds; debentures, mortgages or other securities may be either, specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- (V) To secure contracts: To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (VI) To accept surrender of shares: To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (VII) To appoint Trustees: To appoint any person to accept and to hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (VIII) To bring and defend actions: To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers or otherwise payment or satisfaction of any debts due, and of any claims or demands by or against the Company, and to refer any differences to arbitration, and observe and perform any awards made thereon.
- (IX) To act in insolvency matters: To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (X) To give receipts: To make and give receipts, releases and other discharges for moneys payable to the Company, and for the claims and demands of the Company.
- (XI) To invest moneys: Subject to the provisions of Sections 179, 180 (1) (c), 185, and 186 of the Act, to invest, deposit and deal with any moneys of the Company not immediately required for the purpose thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (XII) To provide for Personal Liabilities: To execute in the name and on behalf of the Company in favour of any

Director or other person who may incur or be about to incur any personal liability whether as principal or surety; for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale, and such other powers, provisions, covenants and agreements as shall be agreed upon.

- (XIII) To authorise acceptances: To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give necessary authority for such purpose.
- (XIV) To distribute bonus: To distribute by way of bonus amongst the staff of the Company a share in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as part of the working expenses of the Company.
- (XV) To provide for welfare of employees : To provide for the welfare of Directors or Ex-Directors or employees or ex- employees of the Company and their wives, widows and families or the dependants or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pensions, gratuities, allowances, bonus or other payments; or by creating and from time to time subscribing or contributing to provident and other associations, institutions or funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 180 of the Act. To subscribe or contribute or otherwise to assist or to guarantee money to any charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation, or of public and general utility or otherwise.
- (XVI) To create reserve fund : Before recommending any dividend to set aside, out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund or to an Insurance Fund or as a Reserve Fund or Sinking Fund or any special fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause), as the Board may in their absolute discretion think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other than shares of the Company) as they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion, think, conducive to the interest of the company notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the company might rightly be applied or expended, and to divide the reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the company or in the purchase or repayment of debentures or debenture- stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.
- (XVII) To appoint managers etc.: To appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries, or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the company in any specified locality in India or elsewhere in such manner as they think fit.
- (XVIII) To comply with local Laws: To comply with requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
- (XIX) To delegate powers : Subject to Section 179 of the Act, from time to time and at any time to delegate to any

persons so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make call or to make loans or borrow moneys, and any such appointment or delegation may be made on such terms, and subject to such conditions as the Board may think fit, and the Board may at any time remove any persons so appointed and may annul any such delegation.

- (XX) To authorise by power of attorney : At any time and from time to time by Power of Attorney (if so resolved by the Board under the Seal of the Company), to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in the limits authorised by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board thinks fit) be made in favour of the shareholders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly, or indirectly by the Board and any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain Powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the Powers, authorities and discretions for the time- being vested in them.
- (XXI) To negotiate: Subject to Section 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient.
- (XXII) To make and vary Regulations: From time to time make, vary or repeal bye- laws for the regulation of the business of the Company, its officers and servants.
- (XXIII) Amendments to Accounts: Subject to Section 130, the directors shall, if they consider it to be necessary and in the interest of the company, be entitled to amend the Audited Accounts of the company of any financial year which have been laid before the Company in General Meeting. The amendments to the Accounts effected by the directors in pursuance of this Article shall be placed before the members in General Meeting for their consideration and approval.
- (XXIV) To formulate schemes, etc.: Subject to provisions of Law, the directors may formulate, create, institute or set up such schemes, trusts, plans or proposals as they may deem fit for the purpose of providing incentive to the officers, employees and workers of the company, including without limiting the generality of the foregoing, formulation of schemes for the subscription by the officers, employees and workers to shares in, or debentures of, the company.

#### **COMMITTEES AND DELEGATION BY THE BOARD**

- a. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- b. Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

- c. The meetings and proceedings of any such Committee of the Board consisting of more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

#### **ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

- a. All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
- b. 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.

#### **PASSING OF RESOLUTION BY CIRCULATION**

- a. No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a meeting of the Board.
- b. A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD**

- a. The Company shall prepare, circulate and maintain minutes of each Board Meeting in accordance with the Act and Rules and such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- b. The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

#### **THE SECRETARY**

Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

#### **SEAL**

- a. The Board may provide a Seal for the purposes of the Company, and shall have power from time to time to

destroy the same and substitute a new Seal in lieu thereof, and if the Seal is provided for, the Board shall provide for the safe custody of the Seal for the time being.

- b. Subject to Article 72 (a), the Board may, if a Seal is required to be affixed on any instrument, affix the Seal of the Company, to any instrument 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 2 (two) Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those 2 (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.

### **DIVIDEND POLICY**

- a. The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- b. Subject to the provisions of Section 123 of the Act, the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- c. No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with the provisions of the Act and remaining undistributed, or out of both, and provided that the declaration of the Board as to the amount of the net profits shall be conclusive.
- d. Subject to Section 123, the Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.
- e. Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (II) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
- (III) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this Article as paid on shares.
- (IV) 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 shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
- f. Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- g. Any one of several Persons who are registered as the joint -holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money (ies) payable in respect of such shares.

- h. Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- i. Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- j. Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money (ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands, shall for the purposes of this Article be deemed to be joint-holders thereof.
- k. No unpaid Dividend shall bear interest as against the Company.
- l. Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set -off against such calls.
- m. Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

#### **UNPAID OR UNCLAIMED DIVIDEND**

- a. Subject to the provisions of the Act, if the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank.
- b. Subject to provisions of the Act, any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".
- c. Subject to the provisions of the Act, no unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

#### **ACCOUNTS AND BOARD'S REPORT**

- a. The Company shall prepare and keep the books of accounts or other relevant books and papers and financial statements for every Financial Year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under applicable Law.
- b. In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' as to the state of the Company's affairs and as to the amounts, if any, which it proposes to carry to any reserves in such balance sheet and the amount, if any, which it recommends

should be paid by way of dividend; and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report. The Board shall also give the fullest information and explanations in its report aforesaid or in an addendum to that report, on every reservation, qualification or adverse remark contained in the auditor's report and by the company secretary in practice in his secretarial audit report.

- c. The Company shall comply with the requirements of Section 136 of the Act.

### **DOCUMENTS AND NOTICES**

- a. A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post or by registered post or by courier, to him to his registered address.
- b. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have affected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- c. A document or notice may be given or served by the Company to or on the joint - holders of a Share by giving or serving the document or notice to or on the joint- holder named first in the Register of Members in respect of the Share.
- d. Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- n. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- o. All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- p. Where a document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

### **SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.



## **NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

## **WINDING UP**

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 Shareholders, 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.

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 Shareholders or different classes of Shareholders.

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**

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.

## **DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS**

Subject to the provision of the Act, no Director, Manager or Officer of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager or Officer or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof, unless the same shall happen through the negligence, default, misfeasance, breach of duty or breach of trust of the relevant Director, Manager or Officer.

## **SIGNING OF CHEQUES**

Subject to applicable Law and Section 64 of the Act, all cheques, promissory notes, drafts, bills of exchange, and other negotiable instruments, and all receipts for moneys paid by the company, shall be signed, drawn, accepted or otherwise executed as the case may be, in such manner as the Directors shall from time to time by resolution determine.

## **INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, Register of Members, books of accounts and the minutes of the meeting of the shareholders shall be kept at the office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

## **AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Company may amend its Memorandum of Association and Articles of Association

## **SECRECY OF WORKS OR INFORMATION**

No shareholder shall be entitled to visit or inspect the Company's work without permission of the Directors or to require discovery of any information respectively any details of Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

## **DUTIES OF THE OFFICER TO OBSERVE SECRECY**

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall, if so required by the Directors before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company with its customers and the state of accounts with individuals and all manufacturing, technical and business information of the company and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the general meeting or by a court of law a except so far as may be necessary in order to comply with any of the provision of these Articles or Law.

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## SECTION XIII - 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 our Company or contracts entered into more than 2 Months before the date of the Draft Red Herring Prospectus) or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Issue Closing Date.

#### A. Material Contracts to the Issue

1. Issue Agreement dated August 27, 2024 entered into among our Company and the BRLM to the Issue.
2. Agreement dated August 27, 2024 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated May 07, 2024 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated June 19, 2024 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement [•] among our Company, the BRLM, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [•] between our Company, the BRLM and the Market Maker.
7. Underwriting Agreement dated [•] between our Company and the BRLM.

#### B. Material Documents

1. Copies of Memorandum of Association and Articles of Association of our Company;
2. Certificate of Incorporation of our Company dated January 09, 2024 issued by Registrar of Companies, Central Registration Centre;
3. Certificate of Incorporation pursuant to change of name dated June 19, 2024 issued by the Registrar of Companies, Central Registration Centre;
4. Copy of Board Resolution dated July 26, 2024 authorizing the Issue and other related matters;
5. Copy of Shareholders Resolution dated July 26, 2024 authorizing the Issue and other related matters;
6. Copies of Audited Financial Statements of our Company for financial year ended March 31, 2024;
7. Copy of Restated Financial Statements of our Company for financial year ended September 30, 2024, March 31, 2024, February 17, 2024, March 31, 2023 and March 31, 2022;
8. Copy of Statement of Possible Special Tax Benefits dated December 13, 2024 from the Statutory Auditor;
9. Copy of Resolution dated December 20, 2024 passed by Audit committee for approval of KPI's certificate;
10. Certificate on KPI's issued by the Statutory Auditor dated December 13, 2024;
11. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Statutory Auditor of the Company, Market Maker, Underwriter, Banker to our Company i.e. IndusInd Bank Limited & HDFC Bank Limited, Chartered Engineer, Banker to the Issue/ Sponsor Bank, Promoters of our Company, Directors of our Company, Company Secretary & Compliance Officer of our Company, Managing Director & Chief Financial of our Company, as referred to, in their respective capacities;
12. Undertaking dated December 17, 2024 issued by Abizchancellor Law LLP;
13. Board Resolution dated December 20, 2024 for approval of Draft Red Herring Prospectus and dated [•] for approval of Red Herring Prospectus and dated [•] for approval of Prospectus;
14. Due Diligence Certificate from Book Running Lead Manager dated December 20, 2024;
15. Approval from NSE vide letter dated [•] to use the name of NSE in the Offer Documents for listing of Equity Shares on the Emerge Platform of National Stock Exchange of India Limited.

*Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.*

## DECLARATION

We 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 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. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Bhaveshbhai Mansukhbhai Harsoda Managing Director DIN: 09236516	Sd/-
Naitik Bhaveshbhai Harsoda Director DIN: 10404190	Sd/-
Anandbhai Nalinbhai Pathak Independent Director DIN: 10543800	Sd/-
Nikita Gaurav Tank Independent Director DIN: 10555187	Sd/-
Anjali Hukambhai Jeshani Independent Director DIN: 10692753	Sd/-

### Signed by:

Ekta Pravinbhai Tank Chief Financial Officer	Sd/-
Ankur Rastogi Company Secretary & Compliance Officer	Sd/-

**Place:** Rajkot

**Date:** December 20, 2024