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the Red Herring Prospectus)

**INDIAN EMULSIFIERS LIMITED**  
(Formerly known as Indian Emulsifiers Private Limited)  
CIN: U46691MH2020PLC351364

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Shop 206, Foor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli 400 018, Mumbai, Maharashtra, India.	<b>Ramraj Singh Thakur</b> Company Secretary and Compliance Officer	E-mail: <a href="mailto:info@indianemulsifiers.com">info@indianemulsifiers.com</a> Tel No: 022-4783 8021	<a href="http://www.indianemulsifiers.com">www.indianemulsifiers.com</a>

**PROMOTER OF OUR COMPANY IS YASH TIKEKAR**

**DETAILS OF THE ISSUE**

TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFFERS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Issue of upto 32,11,000 equity shares upto ₹[●] Lakhs	Nil	₹[●] Lakhs	The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations as the Company's post issue face value capital exceeds ₹10.00 Crores but does not exceed ₹25.00 Crores.

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

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Book Running Lead Manager as stated in "Basis for Issue Price" beginning on page no. 93 of this Red Herring Prospectus) 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 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 Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page no. 24 of this Red Herring Prospectus.


**ISSUER'S ABSOLUTE RESPONSIBILITY**

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


**LISTING**

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of NSE India ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle approval letter dated April 25, 2024 from NSE Limited for using its name in the offer document for the listing of the Equity Shares. For the Issue, the Designated Stock Exchange shall be NSE.

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>EKADRISHT CAPITAL PRIVATE LIMITED</b>	Krunal Pipalia	Telephone: +91 89286 31037 E-mail: <a href="mailto:info@ekadrisht.com">info@ekadrisht.com</a>

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 <b>MAASHITLA SECURITIES PRIVATE LIMITED</b>	Mukul Agrawal	Telephone: 011-45121795 E-mail: <a href="mailto:ipo@maashitla.com">ipo@maashitla.com</a>

**BID/ISSUE PROGRAMME**

<b>ANCHOR INVESTOR BID/ISSUE PERIOD:</b> FRIDAY, MAY 10, 2024*	<b>BID/ISSUE OPENS ON:</b> MONDAY, MAY 13, 2024*	<b>BID/ISSUE CLOSES ON:</b> THURSDAY, MAY 16, 2024*
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\*Our Company may in consultation with the BRLM 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.



**INDIAN EMULSIFIERS LIMITED**  
(Formerly known as Indian Emulsifiers Private Limited)  
CIN: U46691MH2020PLC351364

Our Company was originally incorporated on December 05, 2020, as a Private Limited Company under the name and style of Indian Emulsifiers Private Limited under the provisions of Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra bearing Registration No.351364. Thereafter, our Company was converted from Private Limited to Public Limited and the name of our Company was changed from "Indian Emulsifiers Private Limited" to "Indian Emulsifiers Limited" vide fresh Certificate of Incorporation dated January 05, 2024 issued by the Registrar of Companies Mumbai, Maharashtra. The Corporate Identification Number of our Company is U46691MH2020PLC351364.

**Registered Office:** Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli 400 018, Mumbai, Maharashtra, India.

**Company Secretary and Compliance Officer:** Ramraj Singh Thakur | Tel No: 022-4783 8021;

**E-mail:** [info@indianemulsifiers.com](mailto:info@indianemulsifiers.com) | **Website:** [www.indianemulsifier.com](http://www.indianemulsifier.com)

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC OFFER OF UPTO 32,11,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE "EQUITY SHARES") OF INDIAN EMULSIFIERS LIMITED ("OUR COMPANY" OR "IEMIL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 1,61,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 30,50,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.27 % AND 24.95 % RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITION OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITION OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND MARATHI EDITION OF PRATAHKAAL, BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE EMERGE PLATFORM OF NSE ("NSE EMERGE"), FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS, KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 238 OF THIS RED HERRING PROSPECTUS.**

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page no. 251 of this Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" beginning on page no. 93 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page no. 24 of this Red Herring Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the EMERGE Platform of NSE India ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle approval letter dated April 25, 2024 from NSE Limited for using its name in the offer document for the listing of the Equity Shares. For the Issue, the Designated Stock Exchange shall be NSE.

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**EKADRISHT CAPITAL PRIVATE LIMITED**  
1102, Summitt Business Bay, Chakala, Andheri Kurla Road, Andheri East Chakala MIDC, Mumbai, 400 093, Maharashtra, India.  
**Tel. No.:** +91 89286 31037 | **Email Id:** [krunal@ekadrish.com](mailto:krunal@ekadrish.com);  
**Investor Grievance Email:** [grievances@ekadrish.com](mailto:grievances@ekadrish.com);  
**Website:** [www.ekadrish.com](http://www.ekadrish.com);  
**Contact Person:** Krunal Pipalia  
**Designation:** Vice President  
**SEBI Registration Number:** INM000013040  
**CIN No:** U66190MH2023PTC401863

**MAASHITLA SECURITIES PRIVATE LIMITED**  
451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi 110 034, India.  
**Telephone:** +011 4512 1795  
**Email:** [ipo@maashitla.com](mailto:ipo@maashitla.com)  
**Investor Grievance e-mail:** [investor.ipo@maashitla.com](mailto:investor.ipo@maashitla.com)  
**Website:** [www.maashitla.com](http://www.maashitla.com)  
**Contact Person:** Mukul Agarwal  
**SEBI Registration Number:** INR000004370  
**CIN No:** U67100DL2010PTC208725

**BID ISSUE/ISSUE PROGRAMME**

**ANCHOR INVESTOR BID/ISSUE PERIOD:**  
FRIDAY, MAY 10, 2024\*

**BID/ISSUE OPENS ON:**  
MONDAY, MAY 13, 2024\*

**BID/ISSUE CLOSURES ON:**  
THURSDAY, MAY 16, 2024\*

\*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.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Red Herring Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Possible Tax Benefits*”, “*Restated Financial Statements*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations*” and section titled “*Main Provisions of the Articles of Association*” beginning on page no. 100, 169, 218, 134 and 281 respectively of this Red Herring Prospectus, shall have the meanings ascribed to such terms in the respective sections.

#### GENERAL TERMS

Term	Description
IEML/ Our Company/ we/ us/ our / the Company/ the Issuer Company/ or the Issuer.	Indian Emulsifiers Limited, A Public Limited Company, Registered Under the Companies Act, 2013 and having its Registered Office at Shop 206, Floor 2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli 400 018, Mumbai, Maharashtra, India.
We/ us/ our / Group	Unless the context otherwise indicates or implies, refers to our Company.
You/ your or yours	Prospective Investors in this Issue.
Our Promoter	Yash Tikekar
Promoters’ Group	Companies, Individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “ <i>Our Promoter and Promoter’s Group</i> ” beginning on page no. 165 of this Red Herring Prospectus.

#### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association / AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of our Company, constituted on January 06, 2024, in accordance with Section 177 of the Companies Act, 2013, For details refer section titled “ <i>Our Management</i> ” beginning on page no. 146 of this Red Herring Prospectus.
Auditor of our Company / Statutory Auditor / Peer Review Auditor	The Statutory Auditors of our Company, being M/s. Dave & Dave, Chartered Accountants holding a valid peer review certificate as mentioned in the section titled “ <i>General Information</i> ” beginning on page no. 56 of this Red Herring Prospectus.
Bankers to the Company	Bank of India.
Board of Directors / Board / BOD	The Board of Directors of Indian Emulsifiers Limited unless otherwise specified.
Companies Act	The Companies Act, 2013, as amended from time to time.
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Company, constituted on January 06, 2024, in accordance with Section 135 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” beginning on page no. 146 of this Red Herring Prospectus.
CIN	Corporate Identification Number of our Company i.e. U46691MH2020PLC351364.
CMD	Chairman and Managing Director.
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Mandeep Brijkishore Pandey.

<b>Term</b>	<b>Description</b>
Company Secretary and Company Officer	The Company Secretary and Company Officer of our Company, being Ramraj Singh Thakur.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
ED	Executive Director
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 in “ <i>Our Group Companies</i> ” beginning on page no. 165 of this Red Herring Prospectus.
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	INEORRU01016.
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately Below the Board of Directors as described in the section titled “ <i>Our Management</i> ” beginning on page no. 146 of this Red Herring Prospectus.
Key Performance Indicators” or “KPIs”	Key financial and operational performance indicators of our Company, as included in “ <i>Basis for Issue Price</i> ” beginning on page no. 93 of this Red Herring Prospectus.
Materiality Policy	The policy adopted by our Board on January 06, 2024, for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
MD	Managing Director.
MOA / Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
Non Residents	A person resident outside India, as defined under FEMA.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee, constituted on January 06, 2024 in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” beginning on page no. 146 of this Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000.
Peer Review Auditors	Auditor having a valid Peer Review certificate in our case being Dave & Dave, Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter	Shall mean promoter of our Company i.e., Yash Tikekar. For further details, please refer to section titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page no. 161 of this Red Herring Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page no. 161 of this Red Herring Prospectus.
Registered Office	The Registered office of our Company located at Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India.
Restated Financial Statements	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 December 31, 2023 and Financial Year ended on March 31, 2023, 2022 and 2021 and the summary

Term	Description
	statement of significant accounting policies read together with the annexures and notes thereto and other restated financial information, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI (ICDR) Regulations, 2018 and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC/Registrar of Companies	Registrar of Companies, Mumbai.
Shareholders	Shareholders of our Company.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited.
Subscriber to MOA/Initial Promoters	Initial Subscriber to MOA & AOA being VRT Enterprises Private Limited and Yash Tikekar.
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee, constituted on January 06, 2024 in accordance with Section 178 of the Companies Act, 2013. For details refer section titled "Our Management" beginning on page no. 146 of this Red Herring Prospectus.
WTD	Whole-Time Director

## KEY PERFORMANCE INDICATORS

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps to assess the overall financial performance of the Company and volume of the business.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Return on Equity Ratio	Return on equity (ROE) is a measure of financial performance.
Return on Capital Employed	Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital.
Net fixed asset turnover ratio	Net fixed asset turnover ratio is indicator of the efficiency with which our company is able to leverage its assets to generate revenue from operations.
Current Ratio	The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year.
Net profit ratio	Net Profit Margin (also known as "Profit Margin" or "Net Profit Margin Ratio") is a financial ratio used to calculate the percentage of profit our company produces from its total revenue.

## ISSUE RELATED TERMS

Term	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Red Herring Prospectus.
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorizing 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.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.

<b>Term</b>	<b>Description</b>
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 had 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 Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, 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 Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, 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.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section “ <i>Issue Procedure - Basis of allotment</i> ” beginning on page no. 251 of this Red Herring Prospectus.
Bankers to the Issue, Sponsor and Refund Banker	Kotak Mahindra Bank Limited.
Bidding Centers	Centers 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 Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid	An indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date 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 relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Mumbai edition of Regional newspaper Pratahkaal where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI (ICDR) Regulations.  Our Company, in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs One Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended

<b>Term</b>	<b>Description</b>
	Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Mumbai edition of Regional newspaper Pratahkaal where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI (ICDR) Regulations.
Bid/ Issue Period	<p>Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ 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, other than Anchor Investors. 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 may, 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>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of this Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum 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 Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Ekadrisht Capital Private Limited.
Bidding	The process of making a Bid.
Business Day	Monday to Friday (except public holidays).
Broker Centers	Broker centers 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.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.



<b>Term</b>	<b>Description</b>
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut-off Price	The Issue Price, finalised by our Company in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> .
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> .
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.
Designated Intermediaries/ Collecting Agent	The members of the Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identity Number.
Designated Market Maker	S S Corporate Securities Limited will act as the Market Maker and has agreed to receive or deliver 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 amendment to SEBI ICDR Regulations.
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated February 10, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue.
Designated Stock Exchange	National Stock Exchange of India Limited (SME Platform) (" <b>NSE EMERGE</b> ").
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 the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Emerge Platform of NSE	The SME Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as an NSE EMERGE on March 13, 2012.
Equity Shares	Equity Shares of our Company of face value ₹10.00/- each.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer 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.

<b>Term</b>	<b>Description</b>
Escrow Account	Accounts opened with the Banker to the Issue.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Bidder/ Applicant/ Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Closing date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
IPO	Initial Public Offering.
Issue / Issue Size / Public Issue	Public issue of 32,11,000 Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating to ₹[●] Lakhs and [●] Equity Shares of face value ₹10 each for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs will be reserved for the subscription by the Market Maker.
Issue Closing Date	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 and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being May 16, 2024.
Issue Opening Date	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 and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being May 13, 2024.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Red Herring Prospectus, being ₹[●] (including share premium of ₹[●] per Equity Share).
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “Objects of the Issue” beginning on page no. 79 of this Red Herring Prospectus.
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Regulation to be signed between our company and the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) Limited (“NSE”).
Market Maker	The Market Maker to the Issue, in this case being SS Corporate Securities Limited.

<b>Term</b>	<b>Description</b>
Market Making Agreement	The Market Making Agreement dated February 05, 2024, between our Company, Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of 1,61,000 Equity Shares of ₹10 each at an Issue price of ₹[●] each aggregating to ₹[●] Lakhs to be subscribed by Market Maker in this issue.
Memorandum of Understanding / MOU	The Memorandum of Understanding dated February 05, 2024, between our Company and BRLM.
Mutual Fund Portion	5% of the Net QIB Portion, or 30,000 Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 30,50,000 Equity Shares of ₹10 each at ₹[●] per Equity Share including share premium of ₹[●] per Equity Share aggregating to ₹[●] Lakhs by Indian Emulsifiers Limited.
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Fresh Issue.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors/ Applicant	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹2,00,000/-.
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).
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
NSE	National Stock Exchange of India Limited.
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.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Price Band	The price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof.  The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the Book Running Lead Managers, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional edition of Pratahkaal, a Marathi newspaper, Marathi being the regional language of Maharashtra, where our

Term	Description
	Registered and Corporate Office is located, each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Preference Shares	Optionally Convertible Non-Cumulative Preference Share.
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
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Refund Account (s)	Account(s) opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Registrar / Registrar to the Issue	Registrar to the Issue being Maashitla Securities Private Limited.
Registrar Agreement	The agreement dated February 05, 2024, entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
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/-.
Registered Broker	Individuals or companies registered with SEBI as “ <b>Trading Members</b> ” (except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
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.
Revision Form	The Form used by the Bidders 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). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.  Retail Individual Bidders can revise their Bid during the Issue Period or withdraw their Bids until Bid / Issue Closing Date.
SEBI SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI.
SEBI Master Circular	The SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Self-Certified Syndicate	The banks registered with SEBI, offering services, (i) in relation to ASBA (other

<b>Term</b>	<b>Description</b>
Bank(s) / SCSB(s)	<p>than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or such other website as updated from time to time, and (ii) in relation to ASBA through the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <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.</p> <p>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, UPI Bidders using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at <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.</p>
SME Exchange/ Emerge Platform of NSE	<p>SME Platform of the NSE i.e. NSE EMERGE.</p> <p>The Emerge Platform of NSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018 which was approved by SEBI as an SME Exchange on April 25, 2024.</p>
Specified Locations	The Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders and in case of RIBs only ASBA Forms with UPI.
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.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	The agreement dated April 30, 2024 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi.
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being SS Corporate Securities Limited.
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application.
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time. i.e. Ekadrisht Capital Private Limited.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated

Term	Description
	February 05, 2024.
Unified Payments Interface (UPI)	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidders	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion, and individuals applying as Non-Institutional Bidders with a Bid Amount of up to ₹500,000 in the Non-Institutional Portion.  Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum 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 website 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 circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI 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.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Warehouse 1	Warehouse No.3, Bldg No. 504/1, Karwar Spring Compund, Survey No.60/1, Near Nisarg Restaurant, Mumbai Pune Highway, Deravali Village, Near Kon Gaon Panvel-410 221, Raigad, Maharashtra, India.
Warehouse 2	Plot no.-28, Lote Parshuram MIDC, Ratnagiri-415 722, Maharashtra, India.
Willful Defaulter or Fraudulent Borrower	As defined under Regulation 2(1)(lll) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the 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 Red Herring Prospectus are open for business.  2. In respect to the time period between the Issue closing date and the listing of

Term	Description
	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
CASE	Coatings, Adhesives, Sealants & Elastomers.
PCPIR	Petroleum, Chemicals and Petrochemicals Investment Region.
PVC	Poly Vinyl Chloride.
QA & QC	Quality Assurance & Quality Control.
MMT	Million Metric Tonnes.
MPCB	Maharashtra Pollution Control Board
MT	Metric Tonnes.
GCPMH	Global Chemicals and Petrochemicals Manufacturing Hubs in India.
ISCMA	Indian Speciality Chemical Manufacturer' Association.
RSC	Royal Society of Chemistry.
NTPC REL	NTPC Renewable Energy Limited.
GACL	Gujarat Alkalies and Chemicals Limited.
IOCL	Indian Oil Corporation.
ATJ	Alcohol-to-Jet.
CBG	Compressed Bio-Gas.
BPCL	Bharat Petroleum Corporation.
PLI	Production Linked Incentive.
SOP	Standard Operating Procedure.
Polyol	Polyhydric Alcohol.
SMO	Sorbitan Mono Oleate.
PIBSA	Poly ISO Butylene Succinic Anhydride.
PIBSI	Poly ISO Butylene Succinic Imide.
MSEB	Maharashtra's State Electricity Distribution Co. Ltd. Board.
D.G.	Diesel Generator.

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account.
Act or Companies Act	Companies Act, 2013, as amended from time to time.
AGM	Annual General Meeting.
AO	Assessing Officer.
ASBA	Application Supported by Blocked Amount.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year.
BG	Bank Guarantee.
CAGR	Compounded Annual Growth Rate.
CAN	Confirmation Allocation Note.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
CIT	Commissioner of Income Tax.
CRR	Cash Reserve Ratio.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996 as amended from time to time.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
DIN	Director's identification number.
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996.
DP ID	Depository Participant's Identification.
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization.
ECS	Electronic Clearing System.

<b>Term</b>	<b>Description</b>
EGM	Extra-ordinary General Meeting.
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year.
Financial Year / Fiscal Year / FY	The period of twelve months ended March 31 of that particular year.
FDI	Foreign Direct Investment.
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board.
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
GDP	Gross Domestic Product.
GIR Number	General Index Registry Number.
Gov/ Government/Gol	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standard.
ICSI	Institute of Company Secretaries of India.
ICAI	Institute of Chartered Accountants of India.
Indian GAAP	Generally Accepted Accounting Principles in India.
I.T. Act	Income Tax Act, 1961, as amended from time to time.
ITAT	Income Tax Appellate Tribunal.
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India.
Ltd.	Limited.
Pvt. Ltd.	Private Limited.
MCA	Ministry of Corporate Affairs.
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Ministry of Finance, Government of India.
MOU	Memorandum of Understanding.
NA	Not Applicable.
NAV	Net Asset Value.
NEFT	National Electronic Fund Transfer.
NOC	No Objection Certificate.
NR/ Non Residents	Non Resident.
NRE Account	Non Resident External Account.
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets.
p.a.	Per annum.
P/E Ratio	Price/ Earnings Ratio.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PIO	Person of Indian Origin.
PLR	Prime Lending Rate.
R & D	Research and Development.



<b>Term</b>	<b>Description</b>
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time.
RoNW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SAT	Security appellate Tribunal.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SCSBs	Self-Certified Syndicate Banks.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section.
Securities Act	The U.S. Securities Act of 1933, as amended.
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SME	Small and Medium Enterprises.
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time.
State Government	The Government of a State of India.
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE Emerge.
STT	Securities Transaction Tax.
TDS	Tax Deducted at Source.
TIN	Tax payer Identification Number.
TRS	Transaction Registration Slip.
UIN	Unique Identification Number.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.  In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

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

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

## **PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA**

### **CERTAIN CONVENTIONS**

All references in this Red Herring Prospectus to 'India' 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 GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus. In this Red Herring Prospectus, our Company has presented numerical information in "lakhs" units. One lakh represents 1,00,000.

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated audited financial statements for the December 31, 2023 and financial year ended on March 31, 2023; March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Ind AS which are included in the Red Herring Prospectus, and set out in the section titled "*Restated Financial Information*" beginning on page no. 169 of the 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 the 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.

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 the 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 the Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled "*Risk Factors*", "*Business Overview*" and "*Management's Discussion And Analysis Of Financial Position And Results Of Operations*" beginning on page nos. 24, 113 and 209 respectively of this Red Herring Prospectus and elsewhere in the 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.

### **CURRENCY AND UNITS OF PRESENTATION**

All references to "Rupees", "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or "US Dollars" or "USD" are to United States Dollars, the official currency of the United States of America, EUR or "€" are Euro currency.

All references to the word "Lakh" or "Lac", 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 this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

### **INDUSTRY AND MARKET DATA**

Unless stated otherwise, industry data used throughout the Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state

that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. 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 industry sources.

## EXCHANGE RATES

This Red Herring Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of SEBI ICDR Regulations. Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange Rate as on December 29, 2023*	Exchange Rate as on March 31, 2023	Exchange Rate as on March 31, 2022	Exchange Rate as on March 31, 2021
1 USD	83.12	82.21	75.80	73.50
1 Euro	92.00	89.61	84.66	86.10

\* Since December 31, 2023 was Sunday and a holiday hence, we have taken December 29, 2023 as the exchange rate.

Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day has been disclosed. The reference rates are rounded off to two decimal places. Source: [www.fbil.org.in](http://www.fbil.org.in).

## DEFINITIONS

For definitions, please refer the chapter titled “*Definitions and Abbreviations*” beginning on page no. 1 of this Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*” beginning on page no. 281 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## FORWARD LOOKING STATEMENTS

All statements contained in the 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 the Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the 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;
- 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;
- 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;
- 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, see the sections/chapters “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on page no. 24, 113 and 209 respectively of this 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 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 LM, 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.

In accordance with the SEBI ICDR Regulations, our Company, will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Equity Shares pursuant to the Issue.

## **SECTION II - SUMMARY OF ISSUE DOCUMENT**

The following is a general summary of certain disclosures included in this Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Red Herring Prospectus or the 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 Red Herring Prospectus, including “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Our Promoters and Promoter Group”, “Restated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Main Provisions of The Articles Of Association” beginning on page no. 24, 50, 67, 79, 104, 113, 161, 169, 209, 218, 251 and 281 respectively.

### **SUMMARY OF OUR BUSINESS**

Our Company was originally incorporated as Private Limited, under the Companies Act, 2013 (“**Companies Act**”) in the name and style of “*Indian Emulsifier Private Limited*” on December 05, 2020 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Later on, company was converted into public limited company, the name of our Company was changed to “Indian Emulsifier Limited” and fresh Certificate of Incorporation dated January 05, 2024 was issued by the Registrar of Companies, Mumbai, Maharashtra.

Our Promoter Yash Tikekar laid down the foundation of our company in the year 2020 as a Private Limited in the name of “*Indian Emulsifier Private Limited*” with a vision to become a pioneer specialty chemicals manufacturer with a focus on tailor-made solutions to meet customers’ diverse requirements, as we believe that Chemistry Drives Performance.

The Company was incorporated with the objective of Manufacturing and Supplying of Specialty Chemicals i.e., Esters, Amphoteric, Phosphate Esters, Imidazolines, Wax Emulsions, SMO & PIBSA Emulsifiers. The Company has its manufacturing plant at Plot No. E-10 MIDC, Lote Parshuram, Tal. Khed, Ratnagiri 415 722, Maharashtra, India since inception. The facility has a production capacity of 4,800 metric tons per annum as on March 31, 2023 and 3,600 MT per annum for the period ended December 31, 2023, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. and its Registered office at Shop 206, Floor 2, Sumer Kendra, Shivram Seth, Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India. The Company was formed with a vision to become a pioneer specialty chemicals manufacturer.

The Company got ISO Certified in the year 2021 as ISO 9001:2015. We are manufacturing the Specialty chemicals industry, with a focus on Esters, Phosphate Esters, Imidazolines, Succinimides, Sulfosuccinates, Specialty Emulsifiers and formulated products. Our Company serves specialty chemicals to wide range of industries such as Mining, Textile, Cleaning Industry, PVC (Poly Vinyl Chloride)/ Rubber, Personal Care, Food and Other Industries.

The manufacturing facility has a production capacity of 4,800 metric tons per annum the capacity has been increased from 2400 MT per annum to 4,800 MT per annum due to additional Reactors installed, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. Operations at the facility are managed by an able and motivated team of highly qualified technical personnel, having expertise in their individual fields. Multipurpose facility designed to have a high degree of flexibility to meet customer needs. Multiple high-pressure stainless-steel reactors equipped to deliver yields from 100 Kg to 8,000 kg per batch providing a high level of flexibility. The facility can carry out reactions at temperatures ranging from 10 C to 250 C and pressure 5 kg to 8kg/cm, the reactors are equipped with condenser, vacuum arrangement and receiver and high speed stirred reactor.

For more details, please refer chapter titled “*Business Overview*” beginning on page no. 113 of this Red Herring Prospectus.

### **SUMMARY OF OUR INDUSTRY**

The anticipated global real GDP growth for 2023 has been revised slightly upward to 3.2% from our November projections, indicating a modest 0.1% increase. As we approach the finalization of 2023 data with the release of Q4 numbers in February, the current trajectory of growth has notably outpaced earlier estimations.

Comparing the current outlook to projections made a year ago, there has been a substantial rise of one full percentage point in our global growth forecast. This surprising uplift primarily stems from the exceptional performance of the United States, which has exceeded expectations. Additionally, several emerging market economies, notably India, have displayed remarkable momentum, contributing to this unexpected positive trend.

Our projection for global real GDP growth in 2024 has seen a marginal increase of 0.1%, now standing at 2.6%. The Global Purchasing Managers Indices have indicated a concerning trend, showcasing a mild contraction in global industrial activity

over the past eighteen months. Furthermore, the more erratic global services activity stalled notably in October and November.

For more details, please refer chapter titled “Industry Overview” beginning on page no. 104 of this Red Herring Prospectus.

## OUR PROMOTER

The Promoter of our company is **Yash Tikekar**.

## SIZE OF ISSUE

The following table summarizes the details of the Issue. For further details, see “The Issue” and “Issue Structure” beginning on page no. 50 and 246 respectively.

<b>Issue of Equity Shares</b>	Up to 32,11,000 Equity shares of ₹10/- each for cash at a price of ₹[●] per Equity share (including a premium of [●] per Equity Share) aggregating to ₹ [●] Lakhs.
<b>Out Of which:</b>	
<b>(i) Fresh Issue <sup>(1)</sup></b>	Up to 32,11,000 Equity Shares aggregating up to ₹ [●] Lakhs.
<b>Of which:</b>	
<b>Market Maker Reservation Portion</b>	Up to 1,61,000 Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹ [●] Lakhs.
<b>Net Issue</b>	Up to 30,50,000 Equity shares of ₹10/- each for cash at a price of ₹ [●] per Equity shares aggregating to ₹[●] Lakhs.

<sup>(1)</sup> The Issue including the Fresh Issue only and has been authorized by our Board pursuant to resolutions passed at its meetings held on January 06, 2024 and by our Shareholders pursuant to a special resolution passed at their meetings held on January 09, 2024. The Issue and Net Issue shall constitute 26.27% and 24.95% of the post-issue paid-up Equity Share capital of our Company.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects:

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	Funding of Capital Expenditure requirements of our Company towards purchase of Plant & Machinery, Civil work and installation cost thereon.	2,091.54
2.	Funding Working Capital Requirements of our Company.	850.00
3.	General Corporate Purposes <sup>#</sup>	[●]
<b>Total*</b>		

\*To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC

#The amount to be utilised for general corporate purposes will not exceed 25% of the Net Proceeds.

For further details, please refer to chapter titled “Objects of the Issue” beginning on page no. 79 of this Red Herring Prospectus.

## PRE-ISSUE SHAREHOLDING OF OUR PROMOTER, PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

Set forth is the Pre-Issue and Post- Issue shareholding of Our Promoter, Promoter group as a percentage of the paid-up share capital of the Company:

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post- Issue Capital
<b>Promoter</b>				
Yash Tikekar	58,80,050	65.25%	58,80,050	48.11%
<b>Promoter Group</b>				
Sunil Vasant Tikekar	Nil	NA	[●]	[●]%
Anjali Sunil Tikekar	Nil	NA	[●]	[●]%
Natasha Balmukand Luthra	Nil	NA	[●]	[●]%
Kailash Luthra	Nil	NA	[●]	[●]%

Category of Promoter	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
Nitin Balmukand Luthra	Nil	NA	[●]	[●]%
Neetu B Luthra	Nil	NA	[●]	[●]%
<b>Total</b>	<b>58,80,050</b>	<b>65.25%</b>	<b>58,80,050</b>	<b>48.11%</b>

## SUMMARY OF RESTATED FINANCIAL STATEMENTS

The details are as follows:

(₹ in lakhs)

Particulars	As on December 31, 2023	For the year ended March 31		
		2023	2022	2021
Share Capital	901.12	811.01	811.01	1.00
Net worth#	2,636.35	1,204.35	814.94	0.63
Total Revenue\$	4,870.16	4,118.35	1,768.31	Nil
Profit After Tax (PAT)	675.01	389.44	4.31	(0.37)
Earnings per share (Basic) (In ₹)@	10.40	6.48	0.07	Nil
Earnings per share (Diluted) (In ₹)@	8.66	4.80	0.05	Nil
Net Asset Value per Equity Share (₹)*	29.26	14.85	10.05	6.30
Total borrowings^	2,244.45	2,030.44	1,068.54	58.91

#Net Worth = Restated Equity Share Capital plus Restated Reserves & Surplus.

\$Total Revenue = Restated Revenue from operations plus Restated Other Income.

@Earnings per share (Basic & Diluted) = Restated profit after tax for the period divided by Restated weighted average number of Equity Shares outstanding during the period.

\*Net Asset Value per Equity Share = Restated Net worth divided by Restated weighted average number of Equity Shares outstanding during the period.

^Total Borrowings = Restated Long-Term Borrowings plus Restated Short Term Borrowings.

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

## QUALIFICATIONS OF AUDITORS

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Financial Information.

## SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company, our Promoters, our Directors and our Group Companies as on the date of this Red Herring Prospectus is provided below:

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

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)
Against Promoter	NA	NA	NA	NA	NA	NA
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA
<b>Group Companies</b>						
By Group Companies	NA	NA	NA	NA	NA	NA
Against Group Companies	NA	2	NA	NA	1	29.40

**Brief details of top 5 Criminal Case against our Promoter:**

Sr. No.	Particulars	Litigation filed by	Current status	Amount involved
1.	NIL	NIL	NIL	NIL

For further details, please refer chapter titled “*Outstanding Litigations and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus.

**RISK FACTOR**

For details relating to risk factors, please refer section titled “*Risk Factors*” beginning on page no. 24 of this Red Herring Prospectus.

**SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY**

As per Restated Financial Statements, no contingent liability exists for the period ended December 31, 2023 and for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

For details, please refer to Section titled “*Restated Financial Statements*” beginning on page no. 169 of this Red Herring Prospectus.

**SUMMARY OF RELATED PARTY TRANSACTIONS**

**ANNEXURE - Y: Restated Statement of Related Party Disclosures**

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

**List of Related Parties where Control exists and Relationships:**

Sr. No	Name of the Related Party	Relationship
1.	Yash Tikekar	Key Managerial Personnel- Chairman and Managing Director
2.	Chemical Brothers Private Limited	Associate Concern
3.	YST Life Sciences Private Limited	Associate Concern
4.	VRT Enterprises Private Limited	Associate Concern

(₹ in lakhs)

Related Party Transaction:	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
<b>A) Key Management Personnel</b>				
Remuneration paid to Yash Tikekar	27.00	18.00	Nil	-
Unsecured Loan Taken	15.23	34.02	439.38	-
Unsecured Loan Repaid	0.28	0.29	173.57	-



<b>Related Party Transaction:</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Balance Outstanding at The End of Year</b>				
Unsecured Loan	126.60	111.65	78.34	-
<b><i>B) Transaction with YST Lifesciences Pvt Ltd</i></b>				
Sales	457.01	220.00	107.45	-
Purchases	144.31	249.32	130.02	-
Technical Fees	0.00	46.32	0.00	-
<b>Balance Outstanding at The End of Year</b>				
Trade Payables	0.00	23.28	Nil	-
Trade Receivables	343.62	0.00	0.00	-
<b><i>C) Transaction with Chemical Brothers Enterprises Pvt Ltd</i></b>				
Sales	803.90	1,047.66	692.88	-
Purchases	374.96	784.14	575.85	-
Technical Fees	0.00	40.56	0.00	-
<b>Balance Outstanding at The End of Year</b>				
Advances to suppliers	-	2.04	Nil	-
Trade Payables	114.02	0.00	0.00	-
<b><i>D) Transaction with VRT Enterprises Pvt Ltd</i></b>				
Technology fees	0.00	19.90	19.87	-
Unsecured Loan Taken	267.34	339.17	15.57	-
Unsecured Loan Repaid	335.25	73.77	0.00	-
<b>Balance Outstanding at The End of Year</b>				
Unsecured Loan	213.06	280.97	15.57	-
Advances to Suppliers	0.00	0.00	6.29	-

For details, please refer to chapter titled “Restated Financial Statements” beginning on page no. 169 of this Red Herring Prospectus.

## **FINANCING ARRANGEMENTS**

There have been no financing arrangements whereby our Promoter, members of the Promoter group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six (6) months immediately preceding the date of this Red Herring Prospectus.

## **WEIGHTED AVERAGE PRICE OF EQUITY SHARES ACQUIRED BY OUR PROMOTER**

The weighted average cost of acquisition of Equity Shares by our Promoters in the last one year preceding the date of this Red Herring Prospectus set forth in the table below:

<b>Sr. No.</b>	<b>Name of Promoter</b>	<b>No. of Shares acquired in last one year</b>	<b>Weighted Average Cost of Acquisition (in ₹) *</b>
1.	Yash Tikekar	36,49,334	12.12

*The weighted average cost of acquisition of Equity Shares by our Promoter have been calculated by taking into account the amount paid by him to acquire and Shares allotted to him divided by number of shares acquired in last One (1) year.*

*\*As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.*

## **AVERAGE COST OF ACQUISITION OF PROMOTER**

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

Sr. No.	Name of Promoter	No of Equity Shares held	Weighted Average Cost of Acquisition (in ₹) *
1.	Yash Tikekar	58,80,050	3.87

The average cost of acquisition of Equity Shares by our Promoter have been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e., net of sale consideration is divided by net quantity of shares acquired.

\*As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.

#### DETAILS OF PRE-IPO PLACEMENT

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

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

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

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons of Allotment	Allottees	No. of Shares Allotted
November 21, 2023	21,00,100	10/-	10/-	Conversion of Preference Shares into Equity Shares	Yash Tikekar	21,00,100

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

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

#### EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

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

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages no. 113 and 209 respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment 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 Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.*

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

*In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” beginning on page no. 24 and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 209 respectively of this Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Financial Information of the Company” prepared in accordance with the Indian Accounting Standards (IndAS).*

#### **MATERIALITY**

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

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

#### **NOTE:**

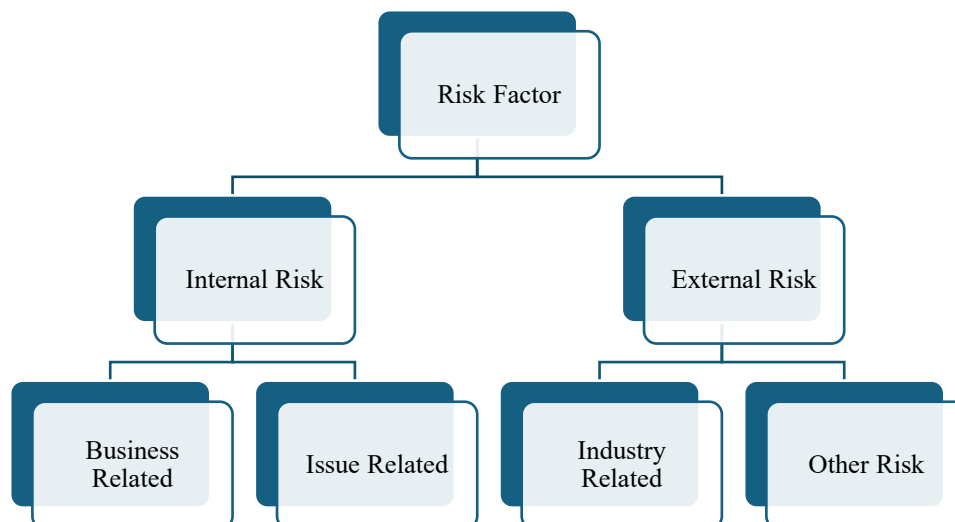
The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” and elsewhere in this Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page no.

1 of this Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as Internal and External for clarity and better understanding:



Unless otherwise specifically provided in the respective Risk factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.

#### INTERNAL RISK FACTORS

- 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 Subsidiary, Directors, Promoter and Group Company, as at the date of this Red Herring Prospectus.

##### Cases against our Company.

Nature of Cases	No of Outstanding Cases	Amount involved (₹ in Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

##### Cases against our Director and / or Promoter.

Nature of Cases	No of Outstanding Cases	Amount involved (₹ in Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	--	--

##### Cases against our Group Companies and / or Subsidiaries.

Nature of Cases	No of Outstanding Cases	Amount involved (₹ in Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	2	29.40
Other Litigation	1	unascertained

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed

jointly and severally. 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.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure you that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

For further details of certain material legal proceedings involving our Company, our Promoter, our Directors, see “*Outstanding Litigations and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus.

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

We are primarily engaged in the business of manufacturing of colorants finding its application in Mining, Personal Care, PVC / Rubber, Textile, Cleaning Industry and Other Industries. Consequently, Our revenues are dependent on the end user industries that use our products as an input. The table set forth below provides customer segment split of our revenue from operations for stub period ended on December 31, 2023, and for the Financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.

(₹ in lakhs)

Industry Segment	December 31, 2023	%	March 31, 2023	%	March 31, 2022	%	March 31, 2021	%
Mining	1,315.80	27.02%	961.4	23.34%	371.55	21.01%	Nil	NA
Personal Care	1,169.80	24.02%	919.9	22.34%	407.51	23.05%	Nil	NA
PVC / Rubber	1,022.30	20.99%	711.1	17.27%	335.45	18.97%	Nil	NA
Textile	681.2	13.99%	753.6	18.30%	300.49	16.99%	Nil	NA
Cleaning	341.00	7.00%	335.85	8.15%	158.8	8.98%	Nil	NA
Other Industries	340.16	6.98%	436.5	10.60%	194.51	11.00%	Nil	NA
<b>Total</b>	<b>4,870.16</b>	<b>100.00%</b>	<b>4,118.35</b>	<b>100.00%</b>	<b>1,768.31</b>	<b>100.00%</b>	<b>Nil</b>	<b>NA</b>

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

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

**3. The property used by the Company for the purpose of its operations and storage is not owned by us. Any termination of the relevant lease agreement or rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.**

Our registered office and one of our warehouse unit is neither owned by us nor do we have clear arrangement of any lease

agreement with respect to the usage of the premises as our registered office and storage and handling space. We are using the aforementioned premises in terms of an arrangement made by one of our group companies m/s. Chemical Brothers Private Limited, with the original owner of the premises and Any termination of the lease/ change is terms of the lease with the original owner and the lessee, we may not be able to utilize the said premises in which event we may be required to make another arrangement for our Registered office and warehouse unit and we may not be able to strike terms as favourable as are presently persisting, or at all.

For details regarding properties taken on lease refer the Section titled “*Properties*” - “*Business Overview*” beginning on page no. 113 of this Red Herring Prospectus.

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

We conduct our operations through one manufacturing facilities at E-10, Lote Parshuram MIDC, Tal-Khed, District-Ratnagiri- 415 722, Maharashtra, India. Our Manufacturing Facility is an approximately 4,050 square meters facility for acts as a large scale production facility. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our reactors, our automation systems, our any other systems or any other part of our manufacturing processes or systems (together, our “**Manufacturing Assets**”) may entail significant repair and maintenance costs and cause delays in our operations. While we have not had such instances during the last three financial years (Fiscal 2021 to Fiscal 2023) where our Company was affected, we cannot assure you that we shall not experience any malfunction or breakdown of our Manufacturing Assets in the future. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Success of our operations depend on availability of labour and good relationships with our labour force. As of the date of this Prospectus, our employees are not members of any organised labour unions. Strikes and lockouts as a result of disputes with our labour force may adversely affect our operations. While we have not had instance of strikes, lockouts or labour disputes in the past, we cannot assure you that we shall not experience any strikes or lockouts on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, financial condition and results of operations.

Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition and results of operations.

- 5. *We derive a significant part of our revenue from major customers. If one or more of such customers choose not to source their requirements from us or to terminate their contracts with us, our business, financial condition and results of operations may be adversely affected.***

Our operations are dependent on the requirements of our customers, from our Top 5 Customers, we generate ₹3,240.80 Lakhs of revenue, which is 78.70% of the Total Revenue generated as on March 31, 2023. We are an innovation driven enterprise and to produce new products which attracts higher cost. Thus, the cost of the new product is comparatively higher than the usual product. This thus raises the price of the product and thus involves the risk of acceptance by the customer. As a result, number of potential consumer of our product/ services may reduce which will ultimately affect our potential revenue in future to that extent. Accordingly, any failure to retain these customers and/or negotiate and execute contracts on terms that are commercially viable, with these select customers, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, financial condition and results of operations.

Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Additionally, our customers have high standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and prospects.

**6. Our top five suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations top five suppliers contribute and profitability.**

Our top Five suppliers contributed approximately 94.36%, 91.68%, 91.58% and Nil of our total purchases for the period ended December 31, 2023 and for the Financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 based on Restated Financial Statements. Our top five suppliers remain consistent supply to us over period of time due to the stable demand-supply mechanism. Consequently, the supply process from these suppliers remains unchanged as we consistently prioritize cost-effective sourcing in our normal course of business. Since our business is concentrated among relatively few significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification. While we believe we have maintained good and long-term relationships with our other suppliers too, there can be no assurance that we will continue to have such long-term relationship with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

**7. Our manufacturing process involves the use of hazardous and flammable industrial chemicals which entails significant risks and could also result in enhanced compliance obligations.**

Our Company manufacturing and supply of Specialty Chemicals, consequently, our manufacturing facilities utilises various hazardous and inflammable industrial chemicals and other corrosive raw materials. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would in addition to adversely affecting our reputation also temporarily reduce our manufacturing capacity which could adversely affect our business, results of operations and reputation.

Further, any environmental damages could increase the regulatory scrutiny and result in enhanced compliance requirements including on use of materials and effluent treatment which would, amongst others, increase the cost of our operations.

**8. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive. Summary of our working capital position as per our Restated Financial Information is given below: -

(₹ In Lakhs)

Sr. No.	Particulars	Restated Audited Financials			
		31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>I</b>	<b>Current Assets</b>				
	Inventories	1,931.41	875.13	120.18	-
	Trade receivables	1,618.74	804.98	291.55	-
	Cash and cash equivalents	9.99	2.75	2.70	3.58
	Other Financial Assets	20.77	72.88	-	-
	Other Current Assets	1,036.12	396.59	512.09	56.14
	Total (A)	<b>4,617.02</b>	<b>2,152.32</b>	<b>926.52</b>	<b>59.72</b>

Sr. No.	Particulars	Restated Audited Financials			
		31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>II</b>	<b>Current Liabilities</b>				
	Borrowings	897.94	867.73	298.86	58.91
	Trade Payable	1,084.42	90.72	0.53	0.05
	Other Financial Liabilities	19.20	16.20	-	-
	Other Current Liabilities	40.00	9.86	17.41	-
	Short-term provisions	141.99	71.13	0.00	0.00
	<b>Total (B)</b>	<b>2,183.54</b>	<b>1,055.64</b>	<b>316.80</b>	<b>58.96</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>2,433.48</b>	<b>1,096.68</b>	<b>609.71</b>	<b>0.76</b>
<b>IV</b>	<b>Funding Pattern</b>				
	<b>Internal Accruals</b>	<b>2,433.48</b>	<b>1,096.68</b>	<b>609.71</b>	<b>0.76</b>

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of our current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations.

For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page no. 79 of this Red Herring Prospectus.

9. ***The Company is yet to place orders for 100% of the plant & machineries for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machineries may delay our implementation schedule and may also lead to increase in price of these plant & machineries, further affecting our revenue and profitability.***

Although we have identified the type of plant and machineries required to be bought however, we are yet to place orders for 100% of the Plant & Machinery, Civil work and installation cost thereon worth ₹2,091.54 Lakhs as detailed in the “Objects of the Issue” beginning on page 79 of this Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management views of the desirability of current plans, change in supplier of plant & machineries, equipments among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machineries, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun, which would have a material adverse effect on our business, results of operations and financial condition.

For further details, please refer to the chapter titled “Objects of the Issue” beginning on page no. 79 of this Red Herring Prospectus.

10. ***The capacity of our current plant units is not fully utilized. Consecutively, if there is also any underutilization of our capacities in upcoming years, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performance.***

The capacity of our current plants is not fully utilized. Our capacity utilization in the year 2021-22 has been 40% which has increased to 45% in the financial year 2022-23 and to 68% during the period from April, 2023 to December 31, 2023. Further, we propose to fully utilize our production capacities in coming years based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our financial performance.

11. ***Our Company has been recently incorporated in December 05, 2020 thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was originally incorporated as a Private Limited Company under the Companies Act, 2013 with Registrar of Companies, Central Registration Centre through a certificate of incorporation dated December 05, 2020. We have very limited operating history from which one can evaluate our business, future prospects and viability. Our future revenues and profitability are difficult to estimate.



We may not be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our results of operations and financial condition will be adversely affected. Our growth exposes us to a wide range of increased risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls. There can be no assurance that we will be able to successfully pursue our growth strategies, or that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate systems, infrastructure and technologies, devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue our growth strategies successfully or at all, or an inability to manage our growth, may adversely affect our prospects. For further details, see the section titled “*History and Corporate Structure*” and “*Restated Financial Statements*” beginning on page no. 141 and 169 respectively of the Red Herring Prospectus.

**12. *There are certain discrepancies in our corporate compliances and we may be subjected to penalty in such event.***

We had made an allotment of preference shares on October 01, 2021, subscription money in respect of which was received in our regular bank account instead of a separate bank account as per the requirements of the provisions of the Companies Act, 2013 and rules made thereunder. Although due allotment has been made in respect of aforementioned subscription amount as per the provisions of the Act and that no show cause notice have been issued in this respect. Our Company has initiated the process of Compounding as per Section 441 under the Companies Act, 2023 and the company may be subjected to penalty in such event.

**13. *Our Company has delayed the filing of annual audited financial statements and the payment towards its Employees Provident Fund (EPF) dues.***

There has been an inadvertent delay in filing of Annual Return forms i.e., MGT-7 and AOC-4, and in filing EPF returns by our Company. Firstly, concerning the delay in filing our annual audited financial statements with the Ministry of Corporate Affairs (MCA), company compliance consultant, who plays a pivotal role in ensuring timely submission, was unfortunately incapacitated due to a severe bout of COVID-19. This unforeseen circumstance significantly impeded the preparation process of our financial statements, resulting in the delay in filing. Similarly, the delay in filing our Annual General Meeting (AGM) was also impacted by the aforementioned situation. The preparation of necessary documents and coordination for the AGM was hindered due to the absence of our compliance consultant during their recovery period, exacerbating the delay further.

Regarding the consistent delays in payments towards our Employees' Provident Fund (EPF) dues, we must acknowledge an oversight in understanding the applicability of certain regulations. Subsequently, there was a delay in rectifying this oversight, compounded by further delays in reactivating our Know Your Customer (KYC) documents, which are essential for EPF payments.

We understand the gravity of these delays and assure you that company is taking immediate steps to rectify the situation. We are actively working on expediting the preparation of our financial statements and ensuring compliance with all regulatory requirements which is overlooked by our Company Secretary and Compliance Officer. Additionally, measures are being implemented to streamline our EPF dues payment process and ensure adherence to deadlines going forward which is also overlooked by our Company Secretary and Compliance Office.

**14. *We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls and exposure to potential product liability claims.***

We face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage. We may not be able to meet the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

If any of our products are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace or recall such products or (iii) incur significant costs to defend any such claims. The failure by us or any of our suppliers to achieve or maintain compliance with customer requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, until a new supplier has been identified and evaluated. The quality of raw materials will have an impact on the quality of the finished products and in turn affect our brand image, business and revenue. There is no assurance that our products will always meet the satisfaction of our customers' quality standards. Our failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including injunctions, civil penalties, suspensions or seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new

suppliers to satisfy our business requirement, we will be able locate new suppliers in compliance with customer requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue. However, no such instances occurred in the past.

***15. In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. The approvals, licenses, registrations and permits obtained by us may contain conditions. Further we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company to public Company.

While we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities. There can be no assurance that the relevant authority will issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, see “*Government and Other Approvals*” beginning on page no. 224 of this Red Herring Prospectus.

Furthermore, we cannot assure you that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations.

***16. There are certain discrepancies in our corporate compliances and we may be subjected to penalty in such event.***

We had made an allotment of preference shares on October 01, 2021, subscription money in respect of which was received in our regular bank account instead of a separate bank account as per the requirements of the provisions of the Companies act, 2013 and rules made thereunder. Although due allotment has been made in respect of aforementioned subscription amount as per the provisions of the Act and that no show cause notice have been issued in this respect, we are not sure that action shall be taken against us or at all in which event we may be subjected to penalty thus adversely affecting our profits.

For details regarding our capital structure, please refer section titled “*Capital Structure*” beginning on page no. 67 of this Red Herring Prospectus.

***17. One of our Directors Rajesh Madhukar Joshi was disqualified in past for being Director Under Section 164 of the Companies Act, 2013 due to non-filing of Annual returns and Financial statements of M/s. Sky Home Niwas Private Limited where he was a Director.***

One of our Directors Rajesh Madhukar Joshi was disqualified Under Section 164 (2) of the Companies Act, 2013 during the period from November 01, 2017 till October 31, 2022, for being director of a company M/s. Sky Home Niwas Private Limited, which failed to file its Financial statements and Annual returns. The disqualification was later removed after completion of the disqualification period on October 31, 2022. Although our Company has appointed Rajesh Madhukar Joshi after completion of his disqualification and this did not cause any adverse effect on the business of our Company in the past, we are not sure that the director shall not incur any such disqualification in future and any such event in future may cause adverse effect on the day-to-day affairs of the Company, reputation and resultantly on the business of the Company and the concentration of our promoters cum Directors may shift from our Business thus adversely affecting our financial position.

***18. We operate in a highly competitive industry. Any inability to compete effectively may lead to a lower market share or reduced operating margins.***

We operate in a highly competitive industry with a number of other manufacturers that produce competing products, both in India and internationally. As a result, to remain competitive in the market we must continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. If we fail to do so, it may have an adverse effect on our market share and results of operations.

In relation to our products segment, we may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered. For example, if a customer is preparing to launch a new product, we may need to incur substantial capital investments for transition of our manufacturing facilities and resources, which may adversely impact production rates or other operational efficiency measures at our facilities.

Many of our competitors may be larger than us and may benefit from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations. Moreover, the competitive nature of the manufacturing industry may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

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

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand/ Potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the Stub period ended on December 31, 2023 and Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 our inventories were ₹1,931.40 Lakhs, ₹875.12 Lakhs, ₹120.17 Lakhs and Nil.

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 December 31, 2023 and Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 our trade receivables were ₹1,618.73 Lakhs, ₹804.97 Lakhs, ₹291.54 lakhs and ₹Nil respectively. As on December 31, 2023 our outstanding due from the top debtor amounted to ₹1,480.34 lakhs representing 30.41 % of our total debtors against Our Sales of December 31, 2023. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations. Such situation may require an additional and, consequently, higher finance cost which will adversely impact our profitability.

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

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

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable

under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

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

Government regulations and policies of India as well as in the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. An adverse change in the regulations governing the development of our products and use of products by our customers may have an adverse impact on our operations. Our Company may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

**22. Our existing manufacturing facility are concentrated in a single region i.e., Lote, Maharashtra and the inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.**

Our manufacturing unit is located at Lote, Maharashtra which exposes us to risks of concentration. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Although in the past we have not experienced instances of operating risks, however our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. It is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns at our facility due to any reason, including disruptions caused by disputes with its workforce or any external factors, our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

**23. Improper handling of our products, or spoilage and damage to our products, could damage our reputation and may have an adverse effect on our business, results of operations and financial condition.**

Our products are subject to risks during their transport or storage. Any shortcoming in the transport or storage of our products due to negligence, human error or otherwise, may damage our products and result in noncompliance with applicable quality standards. Any claim that our products do not match requisite quality standards could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis. We sell our products, directly to customers and if the products sold by those customers are found to be faulty on account of our products, our customers may return our goods, terminate their relationships with us and initiate legal proceedings against us. We cannot assure you that we will not be subject to such product liability claims in the future. Should any of our products be perceived or found to be faulty, we may be subject to regulatory action, product recalls and our reputation, business, results of operations and financial condition may be adversely affected. We may also be exposed to liability from consumers for defects in the quality of our products.

**24. Our insurance coverage may not adequately protect us against all material hazards, which may adversely affect our**

***business, results of operations 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.

Further, our Company is required to renew these insurance policies from time to time and in the event, we fail to renew the insurance policies within the time period prescribed in the respective insurance policies or not obtain at all, our Company may face significant uninsured losses. If our Company suffers a large uninsured loss or if any insured loss suffered, significantly exceeds our insurance coverage, our business, financial condition and results of operations may be adversely affected.

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

During the Stub period ended on December, 2023, and for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021, our Cost of Goods Sold (cost of materials consumed, Purchase of stock in trade and changes in inventories of finished goods) was ₹1,448.87 Lakhs, ₹1103.81Lakhs, ₹405.66 Lakhs and Nil respectively, which represented 70.23%, 73.20%, 77.06% and Nil of our revenue from operations. The raw materials we use in our manufacturing process are primarily sourced from third party suppliers in India. In addition, we usually do not enter into long-term supply contracts/ agreements with any of our raw material suppliers and typically source raw materials from the open market. The absence of long-term contracts/agreements at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations.

The quality of our products is primarily derived from the quality of our raw materials, and any deterioration in the quality of raw materials supplied to us will have an adverse effect on the quality of our products, market reputation and sales volumes. There can be no guarantee that we will be able to maintain our current line-up of suppliers or adequate supply of such raw materials at all times.

Further our Company has outstanding dues of trade payables during the stub period ended on December, 2023, and for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 of ₹1,084.42 Lakhs, ₹90.72 Lakhs, ₹0.53 lakhs and ₹0.05 lakhs respectively. Any delay in payment to our creditors may impact our long-standing relations with our suppliers and may result in stoppage of timely or at all delivery of raw material. Any such disruption would impact the production and overall financial position of our Company.

***26. Any shortages, delay or disruption in the supply of the raw materials we use in our manufacturing process due to factors beyond our control may have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We strive to maintain adequate inventory levels. We are expanding our suppliers base. However, if we face shortage in raw materials in the future, there can be no assurance that we may be able to acquire the raw materials from the market in a timely manner, or at all, and if we are not able to procure raw materials in sufficient quantities, we may not be able to manufacture our products according to our pre-determined timeframes or as contracted with our customers, at our previously estimated product costs, or at all. Therefore, any shortage, delay or disruption in supply of any of our raw materials could have an adverse effect on our business, results of operations, cash flows and reputation. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page no. 209 of this Red Herring Prospectus.

***27. The average cost of acquisition of Equity shares by our Promoter is lower than the Issue price. Our promoter average cost of acquisition of Equity shares in our Company is lower than the Issue Price of Equity shares as given below.:***

S. No.	Name of the Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)*
1.	Yash Tikekar	58,80,050	3.87

*\*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity*

Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Red Herring Prospectus.

\*As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.

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

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

**29. In addition to normal remuneration, other benefits and reimbursement of expenses to our Promoter and Directors; they are interested to the extent of their shareholding and dividend entitlement thereon in our Company and for the transactions entered into between our Company and themselves as well as between our Company and our Group Companies / Entities.**

Our Promoter and Directors are interested in our Company to the extent of their shareholding and dividend entitlement thereon in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. Our Promoters and Directors are interested in the transactions entered into between our Company and themselves as well as between our Company and Our Group Companies / Entity which may be or may not be at Arms' Length Price and in Ordinary Course of Business. If the transactions are executed not on Arms' Length Price and in Ordinary Course of Business, our financial position may get affected to that extent. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies / Entities during last three years, please refer to the "Annexure - Y" - "Related Party Transaction" beginning on page no. 202 of Restated Financial Statements under the Chapter titled "Restated Financial Statements" beginning on page no. 169 this Red Herring Prospectus.

**30. Our Company has in the past entered into related party transactions and may continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties and will not have an adverse effect on our financial conditions and result of operations.**

Our Company has entered into various transactions with related parties. While our Company believes that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Related party transactions that entered by the Company for Period ended December 31, 2023 and last three fiscals and are legitimate business transactions conducted on an arms' length basis, in compliance with the requirements stipulated in Companies Act, 2013, and relevant Accounting Standards and other statutory compliances. The Company further confirm that they will comply with the applicable compliances pertaining to the Companies Act 2013, and relevant Accounting Standards and other statutory compliances.

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transaction, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations.

Please refer to the "Annexure - Y" - "Related Party Transaction" beginning on page no. 202 of Restated Financial Statements under the Chapter titled "Restated Financial Statements" beginning on page no. 169 this Red Herring Prospectus.

**31. Our inability to successfully implement some or all our business strategies in a timely manner or at all could have an adverse effect on our business. Further, our inability to effectively manage any of these issues may adversely affect our business growth and, as a result, impact our businesses, financial condition and results of operations.**

As part of our strategy aimed towards business growth and improvement of market position, we intend to implement several business strategies, which include:

- Expand our existing product portfolio.

- Expand our existing manufacturing capacities to capitalise on industry opportunities;
- Increasing Operational efficiency; and
- Continue to focus on innovation and grow our business across customer segments.



For further information, see “*Business Overview – Our Strategies*” beginning on page no. 113 of this Red Herring Prospectus.

Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, financial condition and results of operations. For further details of our strategies, see “*Business Overview*” beginning on page no. 113 of this Red Herring Prospectus.

Further, our ability to sustain growth depends primarily upon our ability to manage key issues such as our ability to sustain existing relationships with our clients, ability to obtain raw materials at better prices, ability to compete effectively, ability to scaling up our operations, adhering to high quality and execution standards, our ability to expand our manufacturing capabilities and our presence in India as well as globally, the effectiveness of our marketing initiatives, selecting and retaining skilled personnel. Sustained growth also puts pressure on our ability to effectively manage and control historical and emerging risks. Our inability to effectively manage any of these issues and implement our business strategies may adversely affect our business growth and, as a result, impact our businesses, financial condition and results of operations.

**32. Our Company has made application for registration of trademark, which is under process of registration. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.**

The current status of the application for registration of trademark is as follows:

S. No	Brand Name/Logo Trademark	Class	Application / Registration Number	Ownership and Acquisition details	Date of Application	Authority	Current Status
1.	 Indian Emulsifiers Ltd.	1	6283288	Indian Emulsifiers Limited	February 01, 2024	Registrar of Trademarks, Mumbai	Applied
2	 Indian Emulsifiers Ltd.	35	6283291	Indian Emulsifiers Limited	February 01, 2024	Registrar of Trademarks, Mumbai	Applied

The registration for the said trademark in our name is important to retain our brand equity. If our application for registration is not accepted or if the oppositions filed against our trademark application if any, are successful, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademark. Further, we cannot assure that our pending application would be granted registration or if granted registration, will not be invalidated or circumvented. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.

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

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

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

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

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

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

**34. *Our Company has in the past entered into related party transactions and may continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties and will not have an adverse effect on our financial conditions and result of operations.***

Our Company has entered into various transactions with related parties. While our Company believes that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

It is likely that our Company may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transaction, individually or in the aggregate, will always be in the best interests of our Company and/or that it will not have an adverse effect on our business and results of operations

Please refer to the "Annexure - Y" - "Related Party Transaction" beginning on page no. 202 of Restated Financial Statements under the Chapter titled "Restated Financial Statements" beginning on page no. 169 this Red Herring Prospectus.

**35. *Our loan agreements with various lenders have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations.***

We have entered into agreements for short term and long-term borrowings with certain lenders. The total amounts outstanding and payable by us as secured loans and unsecured loans were ₹2,244.45 Lakhs, ₹2,030.44 Lakhs, ₹1,068.54 Lakhs and ₹58.91 Lakhs as on December 31, 2023 and Financials year ended March 31, 2023, 2022 and 2021 as per the Restated Financial Statements. The credit facilities availed by our Company are secured by way of Hypothecation of Stocks, Book Debts and Other Movable assets of our Company. There may have been instances of delay in payment of our dues in time to the banks, in case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the aforesaid banks prior to carrying out certain activities like entering into any amalgamation, demerger, merger and corporate reconstruction, changing our management and operating structure, making any fresh borrowings or creating fresh charges on assets, etc. Any failure to comply with any condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility, which may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event, the lending banks refuse to renew / enhance the credit facilities and/or cancels / suspends / reduces the said credit facilities and/or alters the



terms and conditions to the derogation of our Company, our existing operations as well as our future business prospects and financial condition may be severely affected. As on the date of the Red Herring Prospectus, we have not received NOC for the Issue from all the lenders.

**36. Unsecured loans taken by our Company can be recalled by the lenders at any time.**

Our Company has unsecured loans amounting to ₹365.75 Lakhs, ₹478.77 Lakhs, ₹93.91 Lakhs and ₹58.91 Lakhs for the period ended December 31, 2023 and for the financial year ending March 31, 2023, 2022 and 2021 as per the Restated Financial Statements from Director and NBFC that are repayable on demand to the relevant lender. These loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, our Company may be required to repay the entirety of the unsecured loans together with accrued interest. Our Company may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, cash flows and financial condition. For further details of unsecured loans of our Company, please refer the chapter titled “Restated Financial Statements” beginning on page no. 169 of this Red Herring Prospectus.

**37. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

(₹ in Lakhs)

Particulars	As On	Year ended March 31 <sup>st</sup>		
	December 31, 2023	2023	2022	2021
Net cash generated from/ (used in) operating activities.	(613.85)	18.95	(576.00)	2.58
Net cash generated from/ (used in) investing activities.	(135.85)	(18.90)	(234.88)	Nil
Net cash generated from/ (used in) financing activities.	756.94	Nil	810.01	1.00

Cash flows of a company is a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

For further details, see section titled “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages no. 169 and 209, respectively of this Red Herring Prospectus.

**38. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.**

Our business is working capital intensive. Summary of our working capital position as per our Restated Financial Information is given below: -

(₹ In Lakhs)

Sr. No.	Particulars	Restated Audited Financials			
		31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>I</b>	<b>Current Assets</b>				
	Inventories	1,931.41	875.13	120.18	-
	Trade receivables	1,618.74	804.98	291.55	-
	Cash and cash equivalents	9.99	2.75	2.70	3.58
	Other Financial Assets	20.77	72.88	-	-
	Other Current Assets	1,036.12	396.59	512.09	56.14
	<b>Total (A)</b>	<b>4,617.02</b>	<b>2,152.32</b>	<b>926.52</b>	<b>59.72</b>
<b>II</b>	<b>Current Liabilities</b>				
	Borrowings	897.94	867.73	298.86	58.91
	Trade Payable	1,084.42	90.72	0.53	0.05
	Other Financial Liabilities	19.20	16.20	-	-
	Other Current Liabilities	40.00	9.86	17.41	-
	Short-term provisions	141.99	71.13	0.00	0.00
	<b>Total (B)</b>	<b>2,183.54</b>	<b>1,055.64</b>	<b>316.80</b>	<b>58.96</b>

Sr. No.	Particulars	Restated Audited Financials			
		31.12.2023	31.03.2023	31.03.2022	31.03.2021
III	Total Working Capital Gap (A-B)	2,433.48	1,096.68	609.71	0.76
IV	Funding Pattern				
	Internal Accruals	2,433.48	1,096.68	609.71	0.76

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of our current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital could adversely affect our financial condition and result of our operations.

For further details regarding working capital requirement, please refer to the chapter titled “*Objects of the Issue*” beginning on page no. 79 of this Red Herring Prospectus.

**39. The Company is yet to place orders for 100% of the plant & machineries for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machineries may delay our implementation schedule and may also lead to increase in price of these plant & machineries, further affecting our revenue and profitability.**

Although we have identified the type of plant and machineries required to be bought however, we are yet to place orders for 100% of the Plant & Machinery, Civil work and installation cost thereon worth ₹2,091.54 Lakhs as detailed in the “*Objects of the Issue*” beginning on page 79 of this Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management views of the desirability of current plans, change in supplier of plant & machineries, equipments among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machineries, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun, which would have a material adverse effect on our business, results of operations and financial condition.

For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page no. 79 of this Red Herring Prospectus.

**40. We have significant ongoing funding requirements and may not be able to raise additional capital in the future. As a result, we may not be able to respond to business opportunities, challenges or unforeseen circumstances.**

Our major fund based financial assistance has been sanctioned by the bank, i.e., the Bank of India Limited, on the security of assets. The Company is dependent on these banks for its Working Capital requirement and capital expenditure and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also affect the financial position of the Company. If we are unable in the future to generate sufficient cash flow from operations or borrow the necessary capital to fund our future capital expenditures, we will be forced to limit our growth. In addition, we may not be able to service our existing customers or to acquire new customers. The inability to raise additional capital on acceptable terms could have an effect on our business, results of operations and financial condition.

For further details of our loans, please refer chapter titled “*Restated Financial Statements*” beginning on page no. 169 of this Red Herring Prospectus.

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

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favorable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability

to access cash flows from our operations. Such financings could cause our debt - equity ratio to increase or require us to create charges or liens on our assets in favor of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**42. *Compliance with, and changes in, safety, health and environmental laws and various labour, workplace and related laws and regulations impose additional costs and may increase our compliance costs and a such adversely affect our results of operations and our financial condition.***

We are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, employee exposure to hazardous substances and other aspects of our operations. Compliance with, and changes in these laws may increase our compliance costs and as such adversely affect our results of operations and financial condition.

**43. *Our management has discretion in how it may use the proceeds of the Issue. Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

Our use of the proceeds of the Issue is at the discretion of the management of our Company. As described in the section titled "*Objects of the Issue*" beginning on page no. 79 of this Red Herring Prospectus, we intend to use the Net Proceeds for various purposes, including but not limited to, (i) Funding of capital expenditure requirements of our Company towards purchasing Plant & Machinery, Civil work and installation cost thereon (ii) Working Capital Requirement; and (iii) General Corporate Purposes. However, we have not entered into any definitive agreements and do not have any definite and specific commitments towards the aforementioned purposes for which our Company intends to use the Net Proceeds. Further, the Net Proceeds are intended to be utilized by the Company only and none of the members of our Promoter Group or Group Companies will receive any portion of the Net Proceeds. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business. In the event that there is such a change in the objects of the Issue, our Promoter shall provide an exit offer to dissenting shareholders as provided for in the Companies Act, 2013 and in terms of the conditions and manner prescribed under the SEBI ICDR Regulations.

**44. *We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be obtained by our Company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Presently, we have applied for updating licenses and approvals in the name of "*Indian Emulsifier Limited*" from "*Indian Emulsifier Private Limited*". Also, we are yet to receive and renew several approvals and licenses. Non-obtaining or non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. Further we require to keep already obtained valid key approvals such as Tax Registrations, Shops and Establishment Act License, for running our operations in a smooth manner.

Some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

For further details, please see chapters titled “*Key Industry Regulations*” and “*Government and Other Approvals*” beginning on page no. 132 and 224 respectively of this Red Herring Prospectus.

**45. Any IT system failures or lapses on part of any of our employees may lead to operational interruption, liabilities or reputational harm.**

The success of our businesses depends in part upon our ability to effectively deploy, implement and use information technology systems and advanced technology initiatives in a cost effective and timely basis. Our information technology systems include multiple applications, coding, configuration and other systems that allocate resources and facilitate internal and external communications, enabling us to coordinate and make quick decisions across our business. Our computer networks may be vulnerable to un-authorized access, computer hacking, computer viruses, worms, malicious applications and other security problems caused by un-authorized access to, or improper use of, systems by our employees, subcontractors or third-party vendors. Any systems failure or security breach or lapse on our part or on the part of our employees and other ecosystem participants that results in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. Any such legal proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

Till the date of this Red Herring Prospectus there have been no such instances or event that have occurred in the Company relating to the any IT system failures or lapses on part of any of our employees may lead to operational interruption, liabilities or reputational harm.

**46. If our security measures are compromised, our products and services would be perceived as vulnerable, our brand and reputation would be damaged and customers could stop using our products and services, all of which would materially adversely affect us.**

Our products and services store, retrieve and manage our customers’ information and data, external data, as well as our own data. Third parties may identify and exploit product and its service vulnerabilities, penetrate or bypass our security measures, and gain un-authorized access to our or our customers, networks and systems, any of which could lead to the compromise of personal information or the confidential information or our data or that of our customers.

High-profile security breaches at companies have increased in recent years, and security industry experts and government officials have warned about the risks of hackers and cyber-attacks targeting IT products and businesses. These risks will increase as we continue to grow, store and process increasingly large amounts of data, including personal information and our customers’ confidential information and data and other external data. Further, as privacy and data protection become more sensitive issues in India, we may also become exposed to potential liabilities. For instance, under the Information Technology Act, 2000 (“**IT Act**”), we are subject to civil liability for wrongful loss or gain arising from any negligence by us in implementing and maintaining reasonable security practices and procedures with respect to sensitive personal data or information on our computer systems, networks, databases and software. India has also implemented privacy laws, including the IT Security Rules, which impose limitations and restrictions on the collection, use and disclosure of personal information. We could suffer significant damage to our brand and reputation if a cyber-attack or other security incident were to allow un-authorized access to or modification of our customers’ data, other external data, or our own data or our IT systems or if the services we provide to our customers were disrupted, or if our products or services are perceived as having security vulnerabilities. Customers could lose confidence in the security and reliability of our products and services, and this could lead to fewer customers using our products and services and result in reduced revenue and earnings. The costs we may incur to address and fix these security incidents would increase our expenses. These types of security incidents could also lead to breach of contracts with customers, lawsuits, regulatory investigations and claims and increased legal liability, including contractual costs related to customer notification and fraud monitoring, all of which could materially adversely affect us.

Till the date of this Red Herring Prospectus there have been no such instances or event that have occurred in the Company relating to any cyber-attack or other security breach that would compromise our Company’s data.

**47. Our Object has not been appraised by any Bank or Financial Institution. Any significant deviation in the Object could adversely impact our operations and sustainability in absence of any independent monitoring agency.**

We have estimated fund raising by issuing upto 32,11,000 Equity Shares to finance the “*Objects of the Issue*” (including Issue Expenses). The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency.

For details of the “*Object of the Issue*”, beginning on page no. 79 of this Red Herring Prospectus.

**48. Our Group Companies has incurred losses during the last three financial years.**

**VRT Enterprises Private Limited**

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Profit/Loss after tax	0.48	1.76	(0.23)
Net Worth	202.95	202.47	0.71

We cannot assure you that Our Group Companies will not incur losses in the future or that such losses will not adversely affect our reputation or our business. For further details, see “*Our Group Companies*” on page no. 165 of the Red Herring Prospectus.

**49. There is no monitoring agency appointed by Our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.**

The issue proceeds are entirely at the discretion of the issuer/management. As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹10,000 Lakh. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**50. Our business is dependent on our continuing relationships with our clients, with whom we have not entered into long term arrangements.**

We do not have any long term arrangements with any of our clients. Our business is based upon mutual agreed terms with our clients without any written arrangement. Although we have satisfactory business relations with our clients but we cannot assure continued flow of business from them. The loss of or interruption of work by, a significant client or a number of significant client or the inability to procure work on a regular basis or at all may have an adverse effect on our revenues, cash flows and business and financial operations.

**51. Our continued success is dependent upon our ability to hire, retain, and utilize qualified personnel.**

The success of our business is dependent upon our ability to hire, retain, and utilize qualified personnel, including project managers, engineers, and corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the expertise and in the timeframe demanded by our clients, and we may not be able to satisfy the demand for our services because of our inability to successfully hire and retain qualified personnel.

If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees. The cost of providing our services, including the extent to which we utilize our workforce, affects our profitability. If an expected any award is delayed or not received, we could incur cost resulting from excess staff, reductions in staff, or redundancy of facilities that could have a material adverse impact on our business, financial conditions, and results of operations.

**52. Our insurance coverage may be inadequate to satisfy future claims against us.**

We maintain insurance coverage which is typical in our industry which we believe to be commercially appropriate for risks. However, such insurance may not be adequate to cover all our losses or liabilities that may arise from our operations. Our insurance policies contain exclusions and or all limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies.

Additionally, there may be various other risks and losses, specially arising out of our business agreements, for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial

conditions and results of operations.

**53. *Our success largely depends on our Board and Key Managerial Personnel and our ability to attract and retain them. Any loss of our director and key managerial personnel could adversely affect our business, operations and financial condition.***

We depend significantly on the expertise, experience and continued efforts of our Chairman and Managing Director, Whole Time Director, and our Key Managerial Personnel. If one or more members of our Board or key managerial personnel are unable or unwilling to continue in his / her present position, it could be difficult to find a replacement. Our business could thereby be adversely affected. Opportunities for key managerial personnel in our industry are intense and it is possible that we may not be able to retain our existing key managerial personnel or may fail to attract / retain new employees at equivalent positions in the future. As such, any loss of key managerial personnel could adversely affect our business, operations and financial condition.

For further details on the Management of our Company please refer to the chapter titled “*Our Management*” beginning on page no. 146 of this Red Herring Prospectus.

**54. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the “Objects of the Issue”. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, debts, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans.

For further details, please refer to the chapter titled “*Objects of The Issue*” beginning on page no. 79 of this Red Herring Prospectus.

**55. *Certain information contained in this Red Herring Prospectus is based on management estimates and we cannot assure you of the completeness or accuracy of the data.***

Certain information contained in this Red Herring Prospectus like our funding requirements and our proposed use of issue proceeds is based solely on management estimates. The estimated dates as well as costs may change depending on the circumstances like changes in laws and regulations, competition, irregularities, the ability of third parties to complete their services, delays, cost overruns. Such circumstances can have an impact on our financial condition and results of operation.

**56. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements.

Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

Accordingly, realization of a gain on shareholders’ investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

**57. *Failure to manage our stocks could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply

requirement accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of supply or an accumulation of excess inventory. The excess stocks will need storage space and block our liquidity resulting in to loss.

**58. *We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.***

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us; hiding unauthorized or unsuccessful trading activities from us; or the improper use of confidential information. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation.

**59. *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 41 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 (3) Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

## **EXTERNAL RISK FACTORS**

After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the stock exchange may fluctuate as a result of the factors, including:

- Volatility in the India and global capital market;
- Company's results of operations and financial performance;
- Performance of Company's competitors;
- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India's economic and fiscal policies; and
- Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

**60. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**61. Any changes in the regulatory framework could adversely affect our operations and growth prospects.**

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations” beginning on page no. 132 of this Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

**62. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.**

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

**63. 100% of our Revenue is derived from business in India for period ended December 31, 2023 and a decrease in economic growth in India could cause our business to suffer.**

At present, we derive 100% of our revenue from operations in India ended December 31, 2023 and, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**64. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.**

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

**65. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.**

Prior to this Issue, there has been no public market for our Equity Shares. Our Company has appointed Ekadrisht Capital Private Limited as Book Running Lead Manager for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India’s fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**66. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.**

Once listed, we would be subject to circuit breakers imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index - based market - wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no



assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**67. *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 our Equity Shares is ₹[●]. This price is being based on numerous factors (For further information, please refer chapter titled “*Basis for Issue Price*” beginning on page no. 93 of this Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and 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. Among the factors that could affect our share price include without limitation the following:

- a. Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- b. Changes in revenue or earnings estimates or publication of research reports by analysts;
- c. Speculation in the press or investment community;
- d. General market conditions; and
- e. Domestic and international economic, legal and regulatory factors unrelated to our performance.

**68. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on 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 issuing 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.

**69. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include various taxes introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates / slab will continue in the future. Any changes in these tax rates / slabs could adversely affect our financial condition and results of operations.

**70. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**71. *An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.***

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus and its variants, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.

**72. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding Rs.1,00,000, realized on the sale of equity shares held for more than 12 months immediately preceding the date of transfer, which

are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long gains tax in India.

Term capital The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivered basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among o 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 will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Comp any 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, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2023 and the Finance Act, 2023 received assent from the President of India on March 31, 2023. There is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or in the industry we operate in.

**73. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements, prepared and presented in accordance with SEBI ICDR Regulations contained in this Red Herring Prospectus.**

As stated in the reports of the Auditor included in this Red Herring Prospectus under chapter "Restated Financial Statements" beginning on page no. 169 the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

**74. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.**

Under the foreign exchange regulations currently in force in India, transfers 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 Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in FDI Policy.

These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

**75. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise 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. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**76. *Financial instability in Indian Financial Markets could adversely affect our Company's results of operation and financial condition.***

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

**77. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and our industry contained in this Red Herring Prospectus.***

While facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and our industry has been based on various government publications and reports from government agencies 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. 104 of this 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.

**78. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency a magnitude, which may negatively affect our stock prices.

**79. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers 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 Rupee proceeds from a 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 authority. There can be no assurance that any approval required from the RBI or any other government

agency can be obtained on any particular terms or at all.

***80. 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.

***81. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

***82. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Red Herring Prospectus:

Particulars	Details
<b>Equity Shares Issue</b> <sup>(1)(2)</sup> Present Issue of Equity Shares by our Company	Issue of upto 32,11,000* Equity Shares of face value of ₹10/- each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹[●] Lakhs.
<b>Out of which:</b>	
<b>Reserved for Market Makers</b>	1,61,000 Equity Shares of face value of ₹10/- each fully paid-up of our Company for cash at a price of ₹[●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Net Issue to the Public</b>	30,50,000 Equity Shares of face value of ₹10/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] Lakhs.
<b>Out of which:</b>	
<b>A. QIB Portion</b> <sup>(3)(4)</sup>	Not more than 15,20,000 Equity Shares of ₹10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs.
<b>of which:</b>	
<b>i. Anchor Investor Portion</b>	Upto 9,10,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>	Upto 6,10,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>Of which:</b>	
<b>a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>	Upto 30,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>b) Balance of QIB Portion for all QIBs including Mutual Funds</b>	Upto 5,80,000 Equity Shares aggregating up to ₹ [●] lakhs.
<b>B. Non-Institutional Investors Portion</b>	Not less than 4,60,000 Equity Shares of ₹10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs.
<b>C. Retail Individual Investors Portion</b>	Not less than 10,70,000 Equity Shares of ₹10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs.
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	90,11,222 Equity Shares of ₹10/- each.
<b>Equity Shares outstanding after the Issue</b>	Upto 1,22,22,222 Equity Shares of ₹10/- each.
<b>Use of Proceeds</b>	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 79 of this Red Herring Prospectus.

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

#### Notes:

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) and Regulation 253 (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 issued 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 January 06, 2024 and by the shareholders of our Company, pursuant to Section 62(1)(c) of the Companies Act, 2013, vide a special resolution passed at the EGM held on January 09, 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) 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. 251 of this Red Herring Prospectus.

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**SUMMARY OF FINANCIAL INFORMATION**

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

*(₹ in Lakhs)*

Sr. no	Particulars	Annexure	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>I.</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	a) Property Plant and Equipment	A	1,407.03	1,271.99	978.66	-
	b) Capital work in progress		70.00	-	-	-
	c) Right of Use Asset		-	-	-	-
	c) Financial Assets		-	-	-	-
	i. Investments	B	0.55	5.45	5.04	-
	ii. Other Financial Assets	C	82.03	2.50	-	-
	<b>Total Non-Current Asset</b>		<b>1,559.61</b>	<b>1,279.94</b>	<b>983.71</b>	-
<b>2</b>	<b>Current assets</b>					-
	a) Inventories	D	1,931.41	875.13	120.18	-
	b) Financial Assets					-
	i. Trade receivables	E	1,618.74	804.98	291.55	-
	ii. Cash and cash equivalents	F	9.99	2.75	2.70	3.58
	iii. Loans		-	-	-	-
	iv. Other Financial Asset	G	20.77	72.88	-	-
	c) Other Current Assets	H	1,036.12	396.59	512.09	56.14
	<b>Total Current Asset</b>		<b>4,617.02</b>	<b>2,152.32</b>	<b>926.52</b>	<b>59.72</b>
	<b>TOTAL ASSETS</b>		<b>6,176.63</b>	<b>3,432.26</b>	<b>1,910.22</b>	<b>59.72</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>					-
<b>1</b>	<b>Equity</b>					-
	a) Equity Share Capital	I	901.12	811.01	811.01	1.00
	b) Other Equity	I	1,735.22	393.34	3.93	(0.37)
	<b>Total Equity</b>		<b>2,636.35</b>	<b>1,204.35</b>	<b>814.94</b>	<b>0.63</b>
	<b>LIABILITIES</b>					
<b>2</b>	<b>Non-current liabilities</b>					
	a) Financial Liabilities					
	i. Borrowings	J	1,346.51	1,162.71	769.68	-
	b) Provisions		3.75	2.34	1.08	0.13
	c) Deferred Tax Liabilities (Net)	K	6.48	7.21	7.73	-
	<b>Total Non-Current Liabilities</b>		<b>1,356.74</b>	<b>1,172.26</b>	<b>778.48</b>	<b>0.13</b>
<b>3</b>	<b>Current Liabilities</b>					
	a) Financial Liabilities					
	i. Borrowings	L	897.94	867.73	298.86	58.91
	ii. Lease Liabilities		-	-	-	-
	iii. Trade Payable	M	-	-	-	-
	Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-	-	-
	Total Outstanding dues of creditors other than dues to Micro and Small Enterprises		1,084.42	90.72	0.53	0.05
	iv. Other Financial Liabilities	N	19.20	16.20	-	-
	b) Other Current Liabilities	O	40.00	9.86	17.41	-
	c) Provisions	P	141.99	71.13	0.00	0.00

Sr. no	Particulars	Annexure	31.12.2023	31.03.2023	31.03.2022	31.03.2021
	<b>Total Current Liabilities</b>		<b>2,183.54</b>	<b>1,055.64</b>	<b>316.80</b>	<b>58.96</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,176.63</b>	<b>3,432.26</b>	<b>1,910.22</b>	<b>59.72</b>

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**ANNEXURE – II: RESTATED STATEMENT OF PROFIT & LOSS**

*(₹ in Lakhs)*

Sr. No.	Particulars	Annexure	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>I</b>	Revenue from operations	Q	4,867.36	4,117.97	1,768.31	-
<b>II</b>	Other income	R	2.81	0.38	-	-
<b>III</b>	<b>Total Income</b>		<b>4,870.16</b>	<b>4,118.35</b>	<b>1,768.31</b>	-
<b>IV</b>	<b>Expenses</b>					
(a)	Cost of Material Consumed	S	3,555.99	3,239.89	1,450.21	-
(b)	Change in Inventory of Finished Goods & Work in progress	T	(137.52)	(225.72)	(87.56)	-
(c)	Employee Benefit Expense	U	40.53	51.40	97.30	0.13
(d)	Finance Cost	U.2	188.66	204.63	46.60	-
(e)	Depreciation and amortization expense	A	119.50	118.21	20.85	-
(f)	Other Expenses	V	289.12	266.22	228.87	0.24
	<b>Total Expenses</b>		<b>4,056.30</b>	<b>3,654.63</b>	<b>1,756.28</b>	<b>0.37</b>
<b>V</b>	<b>Profit Before Tax and Exceptional Items and tax</b>		813.87	463.73	12.04	(0.37)
<b>VI</b>	Exceptional Items		-	-	-	-
<b>VII</b>	<b>Profit Before Tax</b>		<b>813.87</b>	<b>463.73</b>	<b>12.04</b>	<b>(0.37)</b>
<b>VIII</b>	<b>Tax expense:</b>					
	Current tax		139.59	74.80	-	-
	Deferred tax		(0.73)	(0.52)	7.73	-
<b>IX</b>	<b>Profit For the Year</b>		<b>675.01</b>	<b>389.44</b>	<b>4.31</b>	<b>(0.37)</b>
<b>X</b>	<b>Other Comprehensive Income</b>		-	-	-	-
	Items that will not be reclassified to profit or loss		-	-	-	-
	(i) Remeasurement of gains/ (loss) on the defined benefit plans		0.04	(0.02)	(0.01)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
<b>XI</b>	<b>Total Other Comprehensive Income</b>		<b>0.04</b>	<b>(0.02)</b>	<b>(0.01)</b>	-
<b>XII</b>	<b>Total Comprehensive Income</b>		<b>675.05</b>	<b>389.42</b>	<b>4.30</b>	<b>(0.37)</b>
<b>XIII</b>	<b>Earnings per equity share:</b>					
	(1) Basic		10.40	6.48	0.07	-
	(2) Diluted		8.66	4.80	0.05	-

## ANNEXURE – II: STATEMENT OF STANDALONE CASH FLOW

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>A. Cash Flow from Operating activities</b>				
Profit / (Loss) Before Tax	813.90	463.70	12.02	(0.37)
Adjusted for:	0.00	0.00	0.00	0.00
Depreciation	119.50	118.21	20.85	0.00
<b>Operating Profit Before Working Capital Changes</b>	933.41	581.91	32.88	(0.37)
<b>Working Capital Changes:</b>				
Inventories	(1056.28)	(754.95)	(120.18)	0.00
Trade Receivables	(813.76)	(513.43)	(291.55)	(56.14)
Other Current Assets	(639.53)	115.51	(455.95)	0.00
Other Financial Assets (Current)	52.11	(72.88)	0.00	0.00
Other Financial Assets (Non-Current)	(79.53)	(2.50)	0.00	0.00
Borrowings	30.21	568.87	239.95	58.91
Trade Payables	993.69	90.20	0.48	0.05
Other financial liabilities	3.00	16.20	0.00	0.00
Other Current Liabilities	102.41	(6.29)	18.36	0.13
<b>Cash Generated from Operation</b>	<b>(474.27)</b>	<b>22.63</b>	<b>(576.00)</b>	<b>2.58</b>
Direct Taxes Paid	139.59	(3.68)	0.00	0.00
<b>Net Cash from Operating activities (A)</b>	<b>(613.85)</b>	<b>18.95</b>	<b>(576.00)</b>	<b>2.58</b>
<b>B. Cash Flow from Investing activities</b>				
Purchase of Fixed Assets	(324.55)	(411.53)	(999.52)	0.00
Investment Made	0.00	(0.41)	(5.04)	0.00
Proceeds from investment redeemed	4.90	0.00	0.00	0.00
Loan Taken	183.80	393.04	769.68	0.00
<b>Net Cash from Investing activities (B)</b>	<b>(135.85)</b>	<b>(18.90)</b>	<b>(234.88)</b>	<b>0.00</b>
<b>C. Cash Flow from Financing activities</b>	0.00	0.00	0.00	0.00
Investment in Fixed Deposits	0.00	0.00	0.00	0.00
Share Capital Infused	756.94	0.00	810.01	1.00
<b>Net Cash from Financing activities (C)</b>	<b>756.94</b>	<b>0.00</b>	<b>810.01</b>	<b>1.00</b>
<b>Net Increase / (Decrease) in cash &amp; Cash Equivalents (A+B+C)</b>	<b>7.24</b>	<b>0.05</b>	<b>(0.88)</b>	<b>3.58</b>
<b>Cash &amp; Cash Equivalents As at beginning of year</b>	<b>2.75</b>	<b>2.70</b>	<b>3.58</b>	<b>0.00</b>
<b>Cash &amp; Cash Equivalents As at end of the year</b>	<b>9.99</b>	<b>2.75</b>	<b>2.70</b>	<b>3.58</b>

## GENERAL INFORMATION

Our Company was originally incorporated as Private Limited, under the Companies Act, 2013 (“**Companies Act**”) in the name and style of “*Indian Emulsifier Private Limited*” on December 05, 2020 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Further, Company was converted into Public Limited company and subsequently, the name of our Company was changed to “*Indian Emulsifier Limited*” and fresh Certificate of Incorporation dated January 05, 2024 was issued by the Registrar of Companies, Mumbai, Maharashtra. For details of Conversion of Company, please refer to section titled “*History and Corporate Structure*” beginning on page no. 141 of this Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details
<b>Name of Issuer</b>	Indian Emulsifier Limited
<b>Registered Office</b>	Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India; <b>Telephone No.:</b> 022-4783 8021. <b>Web site:</b> <a href="http://www.indianemulsifiers.com">www.indianemulsifiers.com</a> <b>E-Mail:</b> <a href="mailto:info@indianemulsifier.com">info@indianemulsifier.com</a> <b>Contact Person:</b> Ramraj Singh Thakur.
<b>Corporate office of Our Company</b>	NIL
<b>Date of Incorporation</b>	December 05, 2020
<b>Company Identification Number</b>	U46691MH2020PLC351364
<b>Company Registration Number</b>	351364
<b>Company Category</b>	Company Limited by Shares
<b>Registrar of Company</b>	ROC- Mumbai
<b>Address of the RoC</b>	Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India.
<b>Company Secretary and Compliance Officer</b>	<b>Ramraj Singh Thakur;</b> C/o.: Indian Emulsifier Limited; <b>Address:</b> Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India; <b>Telephone No.:</b> 022-4783 8021; <b>Web site:</b> <a href="http://www.indianemulsifiers.com">www.indianemulsifiers.com</a> <b>E-Mail</b> <a href="mailto:info@indianemulsifier.com">info@indianemulsifier.com</a>
<b>Designated Stock Exchange</b>	<b>EMERGE Platform of National Stock Exchange of India Limited (NSE)</b> <b>Address:</b> Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.
<b>Issue Programme</b>	<b>Issue Opens On:</b> May 13, 2024 <b>Issue Close On:</b> May 16, 2024
	<b>Anchor Investor Bid/Issue Period*</b> May 10, 2024

*\*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.*

#### **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.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Applicant, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Applicant.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicants DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on

submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor.

For all Issue related queries and for redressal of complaints, investors may also write to the BRLM. Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.



#### BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

Sr. no.	Name of Directors	Designation	Address	DIN
1.	Yash Tikekar	Chairman and Managing Director	Bhima Plot No. 1003, Worli Sagar C. H. S. Sir Pokhranwala Road, Worli, Mumbai 400 025, Maharashtra, India.	02206485
2.	Abhay Tikekar	Whole Time Director	H 243 Naraina Vihar, Kair, South West Delhi 110 028, India.	10425123
3.	Rajesh Madhukar Joshi	Non-Executive Director	817/D, Chavdar Tale, Behind Ambedkar Hall, At Post Tal-Mahad, Raigarh 402 301, Maharashtra, India.	06533262
4.	Vaishali Dipen Tarsariya	Non-Executive Independent Director	B/104, Om Shiv Krupa CHS, MTNL Marg Opp. Prabhadevi, Bhawani Shankar, Worli Police Station, Mumbai- 400028, Maharashtra, India.	10435220
5.	Rajaram Gordhanlal Agarwal	Non-Executive Independent Director	A/203, Dheeraj Godavari, Chincholi Bunder Road, Dheeraj Ganga Complex, Malad West, Mumbai 400 064, India.	10384386

For further details, pertaining to the education qualification and experience of our directors, please refer the chapter titled “Our Management” beginning on page no. 146 of this Red Herring Prospectus.

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

Book Running Lead Manager	Registrar to the Issue
	 <b>Maashitla*</b> <small>Creating Successful People</small>
<b>Ekadrisht Capital Private Limited</b> <b>Address:</b> 1102, Summitt Business Bay, Chakala, Andheri Kurla Road, Andheri (East), Mumbai 400 093, Maharashtra, India. <b>Tel. Number:</b> +91-89286 31037 <b>Email Id:</b> <a href="mailto:krunal@ekadrisht.com">krunal@ekadrisht.com</a> ; <b>Investors Grievance Id:</b> <a href="mailto:grievances@ekadrisht.com">grievances@ekadrisht.com</a> ; <b>Website:</b> <a href="http://www.ekadrisht.com">www.ekadrisht.com</a> ; <b>Contact Person:</b> Krunal Pipalia <b>CIN:</b> U66190MH2023PTC401863 <b>SEBI Reg. No.:</b> INM000013040	<b>Maashitla Securities Private Limited</b> <b>Address:</b> 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, Delhi 110 034, India. <b>Tel. Number:</b> 011-45121795-96   +91 22-48808634 <b>Email Id:</b> <a href="mailto:ipo@maashitla.com">ipo@maashitla.com</a> ; <b>Website:</b> <a href="http://www.maashitla.com">www.maashitla.com</a> ; <b>Contact Person:</b> Mukul Agrawal <b>SEBI Reg. No.:</b> INR000004370 <b>CIN No.:</b> U67100DL2010PTC208725
<b>Statutory Auditor &amp; Peer Review Auditor</b>	<b>Bankers to the Company</b>

<b>M/s Dave &amp; Dave</b> <b>Address:</b> 316, Gold Mohur Building, 3 <sup>rd</sup> Floor, 174 Princess Street, Marine Lines, Mumbai 400 002, Maharashtra, India <b>Tel. Number:</b> 022-2203 5960 <b>Email:</b> <a href="mailto:cadaveanddave@gmail.com">cadaveanddave@gmail.com</a> <b>Contact Person:</b> Lilashankar Dave <b>Membership No:</b> 42889 <b>Peer Review Certificate No.:</b> 012829 <b>F.R.N.:</b> 012163W	<b>Bank of India</b> <b>Address:</b> Star House C5, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. <b>Tel. Number:</b> 022-6668 4594 <b>Email Id:</b> <a href="mailto:girgaum.mumbaisouth@bankofindia.co.in">girgaum.mumbaisouth@bankofindia.co.in</a> <b>Website:</b> <a href="http://www.bankofindia.co.in">www.bankofindia.co.in</a> <b>Contact Person:</b> Sandeep Kumar Singh <b>SEBI Reg. No.:</b> INBI00000009
<b>Legal Advisor</b>	<b>Syndicate Member</b>
<b>M/s. Asha Agarwal &amp; Associates;</b> <b>Address:</b> 118, Shila Vihar, Gokulpura, Kalwar Road, Jhotwara, Jaipur – 302 012, Rajasthan, India; <b>Tel No.:</b> +91 9950933137; <b>Email:</b> <a href="mailto:ashaagarwalassociates@gmail.co">ashaagarwalassociates@gmail.co</a> ; <b>Contact Person:</b> Nisha Agarwal;	<b>S S Corporate Securities Limited</b> <b>Address:</b> D-308, 3 <sup>rd</sup> Floor, NDM-2, Netaji Subash Place, Pitam Pura, New Delhi- 110 034, India. <b>Tel. Number:</b> 011-47003600 <b>Email Id:</b> <a href="mailto:info@sscoperate.com">info@sscoperate.com</a> ; <b>Investors Grievance Id:</b> <a href="mailto:investorgrievance@sscoperate.com">investorgrievance@sscoperate.com</a> ; <b>Website:</b> <a href="http://www.sscoperate.com">www.sscoperate.com</a> ; <b>Contact Person:</b> Harshit Singhal <b>CIN:</b> U74899DL1994PLC062572 <b>NSE Clearing No.:</b> 07538
<b>Bankers to the Issue/ Refund Banker/ Sponsor Bank</b>	
<b>Kotak Mahindra Bank Limited</b> <b>Address:</b> Kotak Infiniti, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway, General AK Vaidya Marg, Malad (East), Mumbai – 400 097, Maharashtra, India. <b>Tel. Number:</b> 022-66056588 <b>Email Id:</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Investors Grievance Id:</b> <a href="mailto:cmsipo@kotak.com">cmsipo@kotak.com</a> <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> <b>Contact Person:</b> Siddhesh Shirodkar, Associate Vice President <b>CIN:</b> L65110MH1985PLC038137 <b>SEBI Reg. No.:</b> INBI00000927	

## DESIGNATED INTERMEDIARIES

<b>Name</b>	S S Corporate Securities Limited.
<b>Address</b>	D-308, 3 <sup>rd</sup> Floor, NDM-2, Netaji Subash Place, Pitam Pura, New Delhi- 110 034, India.
<b>Contact No.</b>	011-4700 3600.
<b>Email</b>	<a href="mailto:info@sscoperate.com">info@sscoperate.com</a> ;
<b>Website</b>	<a href="http://www.sscoperate.com">www.sscoperate.com</a> ;
<b>Contact Person</b>	Harshit Singhal
<b>Investor Grievance Id</b>	<a href="mailto:investorgrievance@sscoperate.com">investorgrievance@sscoperate.com</a> ;
<b>CIN</b>	U74899DL1994PLC062572
<b>SEBI Registration No.</b>	INZ000219533
<b>NSE Clearing No.</b>	07538

### 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 33 designated branches.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time

### 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.

### **BROKER TO THE ISSUE**

Bidders (other than RIBs) can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centers. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchange at <https://www.nseindia.com>, as updated from time to time.

### **REGISTRAR AND SHARE TRANSFER AGENTS (RTA)**

The list of the RTAs eligible to accept ASBA Forms (other than RIBs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchange at <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures>, as updated from time to time.

### **COLLECTING DEPOSITORY PARTICIAPNTS**

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](http://www.sebi.gov.in)) and updated from time to time.

### **STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES**

Since Ekadrisht Capital Private Limited is sole Book Running Lead Manager 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.

### **CREDIT RATING**

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

### **FILING OF RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/ PROSPECTUS WITH THEM BOARD AND THE REGISTRAR OF COMPANIES**

The Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed on the platform of NSE Emerge Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Red Herring Prospectus shall not be submitted to SEBI, however, soft copy of Prospectus with the Due Diligence Certificate shall be submitted to SEBI pursuant to Regulation 246(1), and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.

A copy of the Red Herring Prospectus/ Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office situated at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India and the same will also be available on the website of the company [www.indianemulsifiers.com](http://www.indianemulsifiers.com), for inspection.

## CHANGES IN AUDITORS

Except as stated below, there has been no Change in the Auditors of our Company during the last three years:

Name of Auditor	Appointment/ Resignation	Date of Appointment / Resignation	Reason
<b>R Trivedi &amp; Associates;</b> CA Vishal Trivedi; <b>Membership No:</b> 037133; <b>F.R.N.:</b> 0111064W.	Appointment	December 30, 2021	Appointment as the statutory auditor for the Financial Year 2021- 22 to 2025-26.
<b>R Trivedi &amp; Associates;</b> CA Vishal Trivedi; <b>Membership No:</b> 037133; <b>F.R.N.:</b> 0111064W.	Resignation	January 05, 2024	Resignation due to Pre-Occupancy.
<b>M/s Dave &amp; Dave;</b> CA Lilashankar Dave; <b>Membership No:</b> 42889; <b>Peer Review No:</b> 012829; <b>F.R.N.:</b> 012163W.	Appointment	January 09, 2024	Appointment as the statutory auditor for the Financial Year 2023- 24 to 2027-28.

## TRUSTEES

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

## APPRAISAL AND MONITORING AGENCY

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹10,000 Lakh. Hence, our Company is not required to appoint a monitoring agency in relation to the issue.

However, Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet (s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Red Herring Prospectus.

## BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Mumbai edition of Regional newspaper Pratahkaal where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date.

Principal parties involved in the Book Building Process are: -

- Our Company;
- The Book Running Lead Manager in this case being Ekadrisht Capital Private Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the

- Book Running Lead Manager;
- The Registrar to the Issue and;
  - The Designated Intermediaries and Sponsor bank.

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

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

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

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Issue Procedure*” beginning on page no. 251 of this Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” beginning on page no. 251 of this Red Herring Prospectus.

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. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.



Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Company 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.

#### Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “Issue Procedure” beginning on page no 251 of this Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/ Issue Program:

Events	Indicative Dates
Bid/Issue Opening Date.	Monday, May 13, 2024 <sup>(1)</sup>
Bid/ Issue Closing Date.	Thursday, May 16, 2024 <sup>(2) (3)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange.	On or before Friday, May 17, 2024.
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account.*	On or before Tuesday, May 21, 2024.
Credit of Equity Shares to Demat accounts of Allottees.	On or before Tuesday, May 21, 2024.
Commencement of trading of the Equity Shares on the Stock Exchange.	On or before Wednesday, May 22, 2024.

1. Our Company in consultation with the BRLM, may consider participation by Anchor Investors. 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.
2. Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.
3. UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Issue Closing Date, i.e. Thursday, May 16, 2024.

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying 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 Applicant 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 Application Amount, the Applicant 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 non-allotted / partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall

be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. Further, investors shall be entitled to compensation in the manner specified in the 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, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, 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 or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

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

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

## **WITHDRAWAL OF THE ISSUE**

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

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

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

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on February 05, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten*	Amount Underwritten (₹ in Lakh)	% of the total Issue Size Underwritten
<b>Ekadrisht Capital Private Limited</b> <b>Address:</b> 1102, Summitt Business Bay, Chakala, Andheri Kurla Road, Andheri (East), Mumbai 400 093, Maharashtra, India. <b>Tel. Number:</b> +91-89286 31037. <b>Email Id:</b> <a href="mailto:krunal@ekadrisht.com">krunal@ekadrisht.com</a> ; <b>Investor Grievance Id:</b> <a href="mailto:grievances@ekadrisht.com">grievances@ekadrisht.com</a> ; <b>Website:</b> <a href="http://www.ekadrisht.com">www.ekadrisht.com</a> ; <b>Contact Person:</b> Krunal Pipalia <b>Designation:</b> Vice President <b>CIN:</b> U66190MH2023PTC401863 <b>SEBI Reg. No.:</b> INM000013040	32,11,000	[●]	100.00%
<b>Total</b>	32,11,000	[●]	100.00%

\*Includes 1,61,000 Equity shares of ₹10.00 each for cash of ₹[●]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above - mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act – Noted for Compliance.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THE ISSUE

Our Company and the BRLM have entered into an agreement dated February 05, 2024 with the following Market Maker to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

<b>Name</b>	S S Corporate Securities Limited.
<b>Address</b>	D-308, 3 <sup>rd</sup> Floor, NDM-2, Netaji Subash Place, Pitam Pura, New Delhi- 110 034, India.
<b>Contact No.</b>	011-4700 3600.
<b>Email</b>	<a href="mailto:info@sscoperate.com">info@sscoperate.com</a> ;
<b>Website</b>	<a href="http://www.sscoperate.com">www.sscoperate.com</a> ;
<b>Contact Person</b>	Harshit Singhal
<b>Investor Grievance Id</b>	<a href="mailto:investorgrievance@sscoperate.com">investorgrievance@sscoperate.com</a> ;
<b>CIN</b>	U74899DL1994PLC062572
<b>SEBI Registration No.</b>	INZ000219533
<b>NSE Clearing No.</b>	07538

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the NSE and SEBI in this regard from time to time.

Following is a summary of the key details pertaining to the proposed Market Making arrangement:

1. 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 issued by the Market Maker.

2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE Emerge) SME Platform and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1.00 Lakh shall be allowed to Offer 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 application lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by NSE.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. 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.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
7. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
8. 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.
9. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
10. 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.
11. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and NSE from time to time.
12. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on NSE EMERGE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
13. 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.
14. 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.
15. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).
16. 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.

In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

1. **Risk containment measures and monitoring for Market Makers:** 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/BSE can impose any other margins as deemed necessary from time-to-time.
2. **Punitive Action in case of default by Market Makers:** Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non- compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
3. 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.
4. **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:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
  - iii. 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.
5. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27th, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crore	25%	24%
₹ 20 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.

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Red Herring Prospectus and after giving effect to this Issue, is set forth below:

(₹ in Lakhs except no of shares)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price*
<b>A.</b>	<b>Authorized Share Capital</b>		
	1,40,00,000 Equity Shares of face value of ₹10/- each.	1,400.00	-
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Capital before the Issue</b>		
	90,11,222 Equity Shares of face value of ₹10/- each	901.00	-
<b>C.</b>	<b>Present Issue in Terms of this Red Herring Prospectus</b>		
	Issue of up to 32,11,000 Equity Shares of face value of ₹10/- each <sup>(1)</sup>	321.10	[●]
	<b>Which Comprises:</b>		
	<b>Reservation for Market Maker portion</b> 1,61,000 Equity Shares of face value of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion.	16.10	[●]
	<b>Net Issue to the Public</b> Net Issue to Public of 30,50,000 Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public.	305.00	[●]
	<b>Net Issue to Public consists of<sup>(2)</sup></b>		
	<b>Allocation to Qualified Institutional Buyers:</b> Not more than 15,20,000 Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers.	152.00	[●]
	<b>Allocation to Non-Institutional Investors:</b> Not less than 4,60,000 Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share will be available for allocation to Non-Institutional Investors.	46.00	[●]
	<b>Allocation to Retail Individual Investors:</b> Not less than 10,70,000 Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share will be available for allocation to Retail Investors	107.00	[●]
<b>D.</b>	<b>Paid-up Equity Capital after the Issue</b>		
	Up to 1,22,22,222 Equity Shares of face value of ₹10/- each	1,222.00	
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	666.83	
	After the Issue		[●]**

\*To be included upon finalisation of Issue Price.

\*\*The amount disclosed is prior to deduction of Issue expenses.

(1) The Issue has been authorized by a resolution of our Board of Directors through their meeting dated January 06, 2024 and by a special resolution of our Shareholders at Extraordinary General Meeting dated January 09, 2024.

(2) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

### CLASS OF SHARES

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

### NOTES TO THE CAPITAL STRUCTURE

## 1. Details of change in Authorized Share Capital of the Company:

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

- The initial authorized share capital of ₹1,00,000/- divided into 10,000 Equity Shares of ₹10/- each.
- The Authorized Share Capital was increased from ₹1,00,000/- divided into 10,000 Equity Shares of ₹10/- each to ₹8,10,01,000/- divided into 60,00,000 Equity Shares of ₹10/- and 21,00,100 preference share of ₹10/- each vide Shareholders' Resolution dated August 10, 2021.
- The Authorized Share Capital was increased from ₹8,10,01,000/- divided into 6,00,000 Equity Shares of ₹10/- each and 21,00,100 preference share of ₹10/- each to ₹14,00,00,000/- divided into 81,10,100 Equity Shares of ₹10/- each and 21,00,100 preference share of ₹10/- each vide Shareholders' Resolution dated October 16, 2023.
- Reclassified its Authorised Share Capital of ₹14,00,00,000/- that was divided into ₹11,89,99,000/- of 1,18,99,900 Equity Shares of ₹10/- each and ₹2,10,01,000/- of 21,00,100 preference shares of ₹10/- each to ₹14,00,00,000/- divided into 1,40,00,000 Equity shares of ₹10/- each.

## 2. Equity Share Capital History of our Company

The history of the equity share capital of our Company is set forth below:

Date of Allotment	No. of Equity Shares allotted	No. of Preference Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative No. of Preference Shares	Cumulative Paid-Up Equity Shares Capital (₹)	Cumulative Paid-Up Preference Shares Capital (₹)	Cumulative Share Premium (₹)
Upon Incorporation	10,000	NIL	10/-	10/-	Cash	Subscription to Moa <sup>(i)</sup>	10,000	NA	1,00,000	NA	Nil
October 01, 2021	NIL	21,00,100	10/-	10/-	Cash	Further Allotment <sup>(ii)</sup>	10,000	21,00,100	1,00,000	2,10,01,000	Nil
March 31, 2022	60,00,000	NIL	10/-	10/-	Cash	Right Issue <sup>(iii)</sup>	60,10,000	21,00,100	6,01,00,000	2,10,01,000	Nil
November 11, 2023	9,01,122	NIL	10/-	84/-	Cash	Further Allotment <sup>(iv)</sup>	69,11,122	21,00,100	6,91,11,220	2,10,01,000	6,66,83,028
November 21, 2023	21,00,100	NIL	10/-	10/-	Other than Cash	Conversion of preference to equity <sup>(v)</sup>	90,11,222	NIL	9,01,12,220	NA	6,66,83,028

### (i) Initial Subscribers to the Memorandum of Association of our company:

Sr No	Name	No of Equity Shares
1.	VRT Enterprises Private limited	9,900
2.	Yash Tikekar	100
	<b>Total</b>	<b>10,000</b>

### (ii) Further Allotment of 21,00,100 Preference Shares (0.01% Optionally Convertible Non-Cumulative Preference Share) of face value of ₹10/- each at a price of ₹10/- each.:

Sr. No	Name	No of Preference Shares
1.	Samir Sarvaiya	21,00,100
	<b>Total</b>	<b>21,00,100</b>

(iii) *Right Issue of 60,00,000 Equity Shares of face value of ₹10/- each at a price of ₹10/- each.:*

Sr. No	Name	No of Equity Shares
1.	VRT Enterprises Private limited	29,30,200
2.	Yash Tikekar	30,69,800
	<b>Total</b>	<b>60,00,000</b>

(iv) *Preferential Issue and allotment of 9,01,122 Equity Shares of face value of ₹10/- each at a price of ₹84/- each.:*

Sr. No	Name	No of Equity Shares
1	1955 Venture Fund	94,122
2	Shagun Capital Venture	30,000
3	Hirachand Padma Jain	60,000
4	Avinash	24,000
5	Manoj Kumar Jain	24,000
6	Harichand Mohanchand	24,000
7	Mamta Jitendra Jain	24,000
8	Karupakala Ravindra Prathibha	12,000
9	Mukesh Kumar Jain	12,000
10	Rikita Gandhi Nanesha	12,000
11	Arunkumar Bhavana	12,000
12	Sunil Kumar	12,000
13	Suresh Kumar Nikitha	10,000
14	Gaurav Singh	18,000
15	Bhavya Jain	18,000
16	Svar Family Trust	24,000
17	Rudra Murthy B V	12,000
18	Panna Gunchandra Mehta	30,000
19	Balkrishan Poddar	30,000
20	Nav Ratan Bhaiya	18,000
21	Akash Kumar Sohanraj	15,000
22	Rajnikant Meghji Shah HUF	30,000
23	Bhavin Ajit Dedhia	30,000
24	Prakash Arvindbhai Shah HUF	14,000
25	Caprize Investment Managers Private Limited	24,000
26	Jaya Prem Rajdev	18,000
27	Prashant Mishra	12,000
28	Kavita Jain	18,000
29	Jayshreeben Hemant Kumar Desai	18,000
30	Singhvi Heritage LLP	30,000
31	VM Finserve And Asset Management	30,000
32	Chandani Alpesh Modi	18,000
33	Ten Eighty Investments	30,000
34	Surabhi Yash Shah	36,000
35	Darshana Rahul Golecha	30,000
36	Yash Rameshchandra Shah	12,000
37	Akilandeswari Selvamurthy	36,000
	<b>Total</b>	<b>9,01,122</b>

(v) *Conversion of 21,00,100 0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCNCRPS) of Rs 10/- each to 21,00,100 Equity Shares of face value of ₹10/- each at a price of ₹10/- each.:*

Sr. No	Name	No of Equity Shares
1	Yash Tikekar	21,00,100
	<b>Total</b>	<b>21,00,100</b>

3. We have not issued any Equity Shares for consideration other than cash, at any point of time since Incorporation



4. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Section 230-234 of the Companies Act, 2013.
5. We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
6. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme 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.
7. Except as disclosed below, we have not issued any Equity Shares at price below Issue price within last one year from the date of this Red Herring Prospectus.

***Preferential Issue and allotment of 9,01,122 Equity Shares of face value of ₹10/- each at a price of ₹84/- each.:***

Sr. No	Name	No of Equity Shares
1	1955 Venture Fund	94,122
2	Shagun Capital Venture	30,000
3	Hirachand Padma Jain	60,000
4	Avinash	24,000
5	Manoj Kumar Jain	24,000
6	Harichand Mohanchand	24,000
7	Mamta Jitendra Jain	24,000
8	Karupakala Ravindra Prathibha	12,000
9	Mukesh Kumar Jain	12,000
10	Rikita Gandhi Nanesha	12,000
11	Arunkumar Bhavana	12,000
12	Sunil Kumar	12,000
13	Suresh Kumar Nikitha	10,000
14	Gaurav Singh	18,000
15	Bhavya Jain	18,000
16	Svar Family Trust	24,000
17	Rudra Murthy B V	12,000
18	Panna Gunchandra Mehta	30,000
19	Balkrishan Poddar	30,000
20	Nav Ratan Bhaiya	18,000
21	Akash Kumar Sohanraj	15,000
22	Rajnikant Meghji Shah HUF	30,000
23	Bhavin Ajit Dedhia	30,000
24	Prakash Arvindbhai Shah HUF	14,000
25	Caprize Investment Managers Private Limited	24,000
26	Jaya Prem Rajdev	18,000
27	Prashant Mishra	12,000
28	Kavita Jain	18,000
29	Jayshreeben Hemant Kumar Desai	18,000
30	Singhvi Heritage LLP	30,000
31	VM Finserve And Asset Management	30,000
32	Chandani Alpesh Modi	18,000
33	Ten Eighty Investments	30,000
34	Surabhi Yash Shah	36,000
35	Darshana Rahul Golecha	30,000
36	Yash Rameshchandra Shah	12,000
37	Akilandeswari Selvamurthy	36,000
	<b>Total</b>	<b>9,01,122</b>

**8. Shareholding Pattern of our Company.**

The table below presents the current shareholding pattern of our Company as per Regulation 31 of SEBI LODR Regulations as on the date of this Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Nos. 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 nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Underlying convertible securities (including Warrants) (X)	Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Class-Equity	Class	Total			No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)		
																		No of Voting Rights
A	Promoter & Promoter Group	1	58,80,050	-	-	58,80,050	65.25	58,80,050	-	58,80,050	65.25	-	65.25	-	-	-	-	58,80,050
B	Public	184	31,31,172	-	-	31,31,172	34.65	31,31,172	-	31,31,172	34.65	-	34.65	-	-	-	-	31,31,172
C	Non Promoter Non – Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>185</b>	<b>90,11,222</b>			<b>90,11,222</b>	<b>100.00</b>	<b>90,11,222</b>		<b>90,11,222</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,11,222</b>

- As on date of this Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹10.00 each.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the Stock Exchange before commencement of trading of such Equity Shares.

a) **Equity Shareholding of Directors and Key Managerial Personnel in our Company:**

Except as stated below, none of our Directors or Key Managerial Personnel and Senior Management hold any Equity Shares in our Company:

Sr. No.	Name of Shareholder	No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
1	Yash Tikekar	58,80,050	65.25%	58,80,050	48.11%
	<b>Total</b>	<b>58,80,050</b>	<b>65.25%</b>	<b>58,80,050</b>	<b>48.11%</b>

b) **List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Red Herring Prospectus:**

Sr. No.	Name of Shareholder	Shares held (Face Value of ₹10 each)	% Pre Issue paid up Share Capital
1.	Yash Tikekar	58,80,050	65.25%
2.	Comercinate Enterprises Private Limited	2,88,942	3.21%
3.	GJNX Ventures (Gunvant Kumar Rekha and Gunvant Kumar Neha)	1,62,202	1.80%
4.	Manoj Agarwal HUF	1,10,000	1.22%
5.	Jinendra G	94,122	1.04%
6.	Ravi Kalidas Kedia	90,112	1.00%

c) **List of shareholders holding 1% or more of the paid-up capital of our company as on date ten days prior to the date of this Red Herring Prospectus:**

Sr. No.	Name of Shareholder	Shares held (Face Value of ₹10 each)	% Pre Issue paid up Share Capital
1.	Yash Tikekar	58,80,050	65.25%
2.	Comercinate Enterprises Private Limited	2,88,942	3.21%
3.	GJNX Ventures (Gunvant Kumar Rekha and Gunvant Kumar Neha)	1,62,202	1.80%
4.	Manoj Agarwal HUF	1,10,000	1.22%
5.	Jinendra G	94,122	1.04%
6.	Ravi Kalidas Kedia	90,112	1.00%

d) **List of shareholders holding 1% or more of the paid-up capital of our company as on March 31, 2023.**

Sr. No.	Name of Shareholder	Shares held (Face Value of ₹10 each)	% Pre Issue paid up Share Capital
1	Yash Tikekar	30,69,900	51.08%
2	VRT Enterprises Private limited	29,40,100	48.92%

e) **List of shareholders holding 1% or more of the paid-up capital of our company as on March 31, 2022.**

Sr. No.	Name of Shareholder	Shares held (Face Value of ₹10 each)	% Pre Issue paid up Share Capital
1	Yash Tikekar	30,69,900	51.08%
2	VRT Enterprises Private limited	29,40,100	48.92%

f) **List of shareholders holding 1% or more of the paid-up capital of our company as on March 31, 2021.**

Sr. No.	Name of Shareholder	Shares held (Face Value of ₹ 10 each)	% Pre Issue paid up Share Capital
1	Yash Tikekar	100	1.00%
2	VRT Enterprises Private limited	9,900	99.00%

9. Our Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of this Red Herring Prospectus.

10. Our Company has not made any public Issue (including any rights issue to the public) since its incorporation.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue.

12. 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 this Red Herring Prospectus until the Equity Shares have been listed. Our Company does not have any intention or proposal to alter its capital structure within a period of 6 (six) months from the date of opening of the Issue by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, Our Company is in expansion phase and may need additional capital to fund existing / and or future organic and / or inorganic expansion. Therefore, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the issue appropriately in due compliance with the applicable statutory provisions.

### 13. Details of our Promoter Shareholding

As on the date of this Red Herring Prospectus, our Promoter Yash Tikekar hold 65.25% of the pre- Issue, subscribed and paid-up Equity Share capital of our Company.

Build-up of the shareholding of our Promoter in our Company since incorporation:

#### Yash Tikekar

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
Upon Incorporation	Subscription to MOA	Cash	100	100	10/-	10/-	-	Negligible	No
March 31, 2022	Right Issue	Cash	30,69,800	30,69,900	10/-	10/-	34.07%	25.12%	No
April 30, 2023	Transfer from VRT Enterprises Private limited	Cash	15,39,334	46,09,234	10/-	15/-	51.15%	12.59%	No
April 30, 2023	Transfer from VRT Enterprises Private limited	Cash	9,900	46,19,134	10/-	15/-	51.26%	0.08%	No
November 21, 2023	Conversion of Preference share to equity	Cash	21,00,100	67,19,234	10/-	10/-	74.57%	17.18%	No
January 18, 2024	Transfer to Wellfin Resources and Logistics Private Limited	Cash	(1,73,9840)	65,45,250	10/-	61.50/-	72.63%	(14.24%)	No
January 21, 2024	Transfer to Comercinate Enterprises Private Limited	Cash	(5,09,600)	60,35,650	10/-	61.50/-	66.98%	(4.17%)	No
February 01, 2024	Transfer to Comercinate	Cash	(1,55,600)	58,80,050	10/-	65.00/-	65.25%	(1.27%)	No

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	Cumulative No. of Equity Shares	FV (₹)	Acquisition / Transfer Price (₹)	% of Pre-Issue Equity Share Capital	% of Post Issue Equity Share Capital	Pledge
	Enterprises Private Limited								
<b>Total</b>			<b>58,80,050</b>	<b>58,80,050</b>	<b>10/-</b>	<b>-</b>	<b>65.25%</b>	<b>48.11%</b>	<b>No</b>

**Notes:**

- The entire Promoter shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- None of the shares belonging to our Promoter have been pledged till date.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

a) *The shareholding pattern of our Promoter and Promoter Group before and after the Issue is set forth below:*

Sr No.	Category of Promoter	Pre-Issue		Post-Issue	
		No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>A)</b>	<b>Promoter</b>				
1	Yash Tikekar	58,80,050	65.25%	58,80,050	48.11%
	<b>Total (A)</b>	<b>58,80,050</b>	<b>65.25%</b>	<b>58,80,050</b>	<b>48.11%</b>
<b>B)</b>	<b>Promoter Group</b>				
	Sunil Vasant Tikekar	Nil	NA	[●]	[●]%
	Anjali Sunil Tikekar	Nil	NA	[●]	[●]%
	Natasha Balmukand Luthra	Nil	NA	[●]	[●]%
	Kailash Luthra	Nil	NA	[●]	[●]%
	Nitin Balmukand Luthra	Nil	NA	[●]	[●]%
	Neetu B Luthra	Nil	NA	[●]	[●]%
	<b>Total</b>	<b>58,80,050</b>	<b>65.25%</b>	<b>58,80,050</b>	<b>48.11%</b>

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

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1	Yash Tikekar	58,80,050	3.87

*\*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Red Herring Prospectus.*

*\*As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.*

15. We have 185 (One Hundred and Eighty-Five) Shareholders as on the date of this Red Herring Prospectus.

16. We hereby confirm that:

Except as stated below, there has been no acquisition, sale or transfer of Equity Shares by our Promoter, Promoter Group, Directors and their immediate relatives in the last 6 months preceding the date of filing of this Red Herring Prospectus:

Date of Allotment/ Transfer	Name of Transferor	Name of Shareholder	No of Equity Shares	No of preference shares	Issue Price/ Acquired Price (in ₹)	Allotment/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director/)
March 20, 2023	Samir Sarvaiya	Yash Tikekar	Nil	21,00,100	10.00/-	Acquire	Promoter

Date of Allotment/ Transfer	Name of Transferor	Name of Shareholder	No of Equity Shares	No of preference shares	Issue Price/ Acquired Price (in ₹)	Allotment/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director/)
April 30, 2023	VRT Enterprises Pvt Ltd	Yash Tikekar	15,39,334	Nil	15.00/-	Transfer	Promoter
April 30, 2023	VRT Enterprises Pvt Ltd	Yash Tikekar	9,900	Nil	15.00/-	Transfer	Promoter
January 18, 2024	Yash Tikekar	Wellfin Resources and Logistics Private Limited	1,73,9840	Nil	61.50/-	Transfer	Promoter
January 21, 2024	Yash Tikekar	Comercinate Enterprises Private Limited	5,09,600	Nil	61.50/-	Transfer	Promoter
February 01, 2024	Yash Tikekar	Comercinate Enterprises Private Limited	1,55,600	Nil	65.00/-	Transfer	Promoter

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

## 17. Promoters' Contribution and Lock-in details

### *Details of Promoters' Contribution and Lock-in for Three Years*

Pursuant to the Regulation 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Red Herring Prospectus, our Promoter holds 58,80,050 Equity Shares constituting 65.25% of the pre-issue paid up equity share capital of our Company.

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 and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock-in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares

As on the date of this Red Herring Prospectus, our Promoter holds 58,80,050 Equity Shares constituting 48.11% of the Post – Issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoter's contribution

Our Promoter has given written consent to include 30,69,900 Equity Shares held by him and subscribed to by him as part of Promoter's Contribution constituting 25.12 of the post issue Equity Shares of our Company. Further, he has agreed not to sell or transfer or pledge or otherwise dispose of in any manner the Promoter's contribution, for a period of three years from the date of allotment in the Issue

Details of the Equity Shares forming part of Promoters Contribution and their lock-in details are as follows:

Name of Promoter	Date of Allotment/Acquisition & when made fully paid up.	No of Equity shares	No of Equity shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment	% Of Post-Issue Paid-up Capital	Lock-in Period
Yash Tikekar	05/12/2020	100	100	10/-	10/-	Subscription to MOA	Negligible	3 Years
	31/03/2022	30,69,800	30,69,800	10/-	10/-	Right Issue	25.12%	3 Years

Name of Promoter	Date of Allotment/Acquisition & when made fully paid up.	No of Equity shares	No of Equity shares locked in	Face Value (in ₹)	Issue Price (in ₹)	Nature of Allotment	% Of Post-Issue Paid-up Capital	Lock-in Period
<b>Total</b>		<b>30,69,900</b>	<b>30,69,900</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>25.12%</b>	<b>3 Years</b>

*Note: The above details shall be filled up in the Prospectus.*

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- The Equity Shares offered for minimum 20% Promoter's Contribution have not been acquired in the three years preceding the date of this Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
- The Equity Shares acquired during the year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being Offered to the public in this Issue is not part of the minimum promoter's contribution;
- Specific written consent has been obtained from the Promoter for inclusion of 30,69,900 Equity Shares for ensuring lock-in of three years to the extent of minimum 25.12% of post Issue Paid-up Equity Share Capital from the date of allotment in the public Issue;
- The Equity Shares held by the Promoter and offered for minimum Promoter's contribution are not subject to any pledge or any other form of encumbrances;
- All the Equity Shares of our Company held by the Promoters are in dematerialized form; and

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR Regulations.

**We further confirm that our Promoter's Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.**

#### **18. Equity Shares locked-in for one year other than Minimum Promoter Contribution**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoter's contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 28,10,150 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

#### **19. Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors**

Fifty percent of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

#### **20. Inscription or Recording of non-transferability**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

## **21. Pledge of Locked in Equity Shares**

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoter can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a) if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan;
- b) if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

## **22. Transferability of Locked in Equity Shares**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of SEBI (SAST) Regulations, 2011 as applicable;

- a) The Equity Shares held by our Promoter and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoter or any person of the Promoter Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b) The equity shares held by persons other than promoter and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoter's Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**23.** Our Company, our Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**24.** As on date of this Red Herring Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

**25.** As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoter or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer

**26.** As on the date of this Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

**27.** Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "*Issue Procedure*" beginning on page no. 251 of this Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.

**28.** An over-subscription to the extent of 10% of the Net 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 Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.



29. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
30. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
31. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
32. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
33. We have 164 (One Hundred and Sixty-Four) Shareholders as on the date of filing of the Red Herring Prospectus.
34. We shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
35. There are no Equity Shares against which depository receipts have been issued.
36. As per RBI regulations, OCBs are not allowed to participate in this issue.
37. This Issue is being made through Book Building Price Issue.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoter to the persons who receive allotments, if any, in this Issue.
39. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
40. None of our Promoter and Promoter Group will participate in the Issue.

Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter Group between the date of filing this Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.

## SECTION V – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

#### REQUIREMENT OF FUNDS

This Issue comprises of Fresh Issue of up to 32,11,000 Equity Shares by our Company aggregating to ₹[●] Lakhs.

Our Company proposes to utilize the Net Proceeds from the Issue towards funding the following objects:

1. Funding of capital expenditure requirements of our Company towards Plant & Machinery, Civil work and installation cost thereon;
2. Funding Working Capital Requirements of our Company;
3. General corporate purposes.

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

The main objects and objects incidental and ancillary to the main objects, as set out in our Memorandum of Association, enable our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Issue. In addition, our Company expects to receive the benefits of listing of Equity Shares on the NSE Emerge including enhancing our visibility and our brand image among our existing and potential customers and creating a public market for our Equity Shares in India.

#### ISSUE PROCEEDS

The details of the proceeds of the Issue are set forth in the table below:

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds of the Issue	[●]
Less: Issue related Expenses (only those apportioned to the Company) <sup>(1)</sup>	[●]
<b>Net Proceeds of the Issue</b>	[●]

<sup>(1)</sup> The Issue related expenses shall be determined at the time of filing Prospectus with RoC.

#### UTILISATION OF NET PROCEEDS

The Net Proceeds are proposed to be utilised in the manner set out in the following table:

(₹ in Lakhs)

Sr. No	Particulars	Amount	% Of Gross Proceeds*	% Of Net Proceeds*
1.	Funding of capital expenditure requirements of our Company towards purchase of Plant & Machinery, Civil work and installation cost thereon.	2,091.54	[●]%	[●]%
2.	Funding Working Capital Requirements of our Company.	850.00	[●]%	[●]%
3.	General Corporate Purposes <sup>#</sup>	[●]	[●]%	[●]%
	<b>Total*</b>	[●]	[●]%	[●]%

\* To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.

# The amount to be utilised for general corporate purposes will not exceed 25% of the Gross Proceeds

#### PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF THE NET PROCEEDS

The Net Proceeds of the Fresh Issue (“**Net Proceeds**”) are currently expected to be deployed in accordance with the schedule as stated below:

(₹ in lakhs)

Sr. No.	Object	Amount proposed to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2023-24	Estimated Utilization of Net Proceeds in F. Y. 2024-25	Estimated Utilization of Net Proceeds in F. Y. 2025-26
1.	Funding of Capital Expenditure requirements of our Company towards	2,091.54	NIL	2,091.54	-

Sr. No.	Object	Amount proposed to be financed from Net Proceeds*	Estimated Utilization of Net Proceeds in F. Y. 2023-24	Estimated Utilization of Net Proceeds in F. Y. 2024-25	Estimated Utilization of Net Proceeds in F. Y. 2025-26
	purchase of Plant & Machinery, Civil work and installation cost thereon.				
2.	Funding Working Capital Requirements of our Company.	850.00	NIL	500.00	350.00
3.	General Corporate Purposes <sup>#</sup>	[●]	[●]	[●]	[●]
<b>Total*</b>		[●]	[●]	[●]	[●]

\* To be determined upon finalisation of the Issue Price and updated in the Prospectus prior to filing with the RoC.

# The amount to be utilised for general corporate purposes will not exceed 25% of the gross Proceeds.

## MEANS OF FINANCE

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, all of which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/ exchange rate fluctuations and other external factors, which may not be within the control of our management. In the event that estimated utilization out of the Net Proceeds in a Fiscal Year is not completely met, the same shall be utilized in the next Fiscal Year. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal 2023-24, Fiscal 2024 -2025 and Fiscal 2025-2026. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal years is not completely met, due to the reasons stated above, the same shall be utilized in the next fiscal year, as may be determined by the Board, in accordance with applicable laws. If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes, to the extent that the total amount to be utilized towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws.

The fund requirements set out for the aforesaid Objects are proposed to be met entirely from the Net Proceeds, internal accruals, net worth and existing debt financing. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer the section titled “Risk Factors” beginning on page no. 24 of this Red Herring Prospectus.

## DETAILS OF THE OBJECTS OF THE ISSUE

### 1. Funding of capital expenditure requirements of our Company towards purchase of Plant & Machinery, Civil work and installation cost thereon.

A portion of our capital expenditure will be dedicated to acquiring Plant & Machinery, Civil work and installation cost thereon. This strategic investment aims to align our technological infrastructure with upgraded requirements. The acquisition of advanced machinery is particularly geared towards catering to the additional demand expected from our forthcoming sales efforts. Basis the management assessment and quotation obtained by our Company, we intend to utilize ₹2,091.54 lakhs out of the Net Proceeds towards purchase of 45 Plant & Machinery, and towards Civil work and installation of the same thereon to empower our team to meet the evolving technological demands and efficiently support the growth generated by our sales endeavors in the market. We are yet to place orders for the purchase of these machinery, however the detailed break-down of their estimated costs is as set forth below.

(₹ in lakhs)

Sr. No.	Description of Plant and Machinery	Quantity	Amount* (in ₹)	Vendor@	Validity
1.	13.7 KL Capacity reactor with multistage PBT / Hydrofoil type agitator, FLP drive, Gear box,	1	93.75	Samarth Engineering	90 days from date of quotation

Sr. No.	Description of Plant and Machinery	Quantity	Amount* (in ₹)	Vendor@	Validity
	Internal cooling / heating coil, Limpet coil with 120 Grit Finish, Polished surface for internal coil capable of withstanding full vacuum – MOC – SS316L. 7 to 8 mm thicknss. Coil Heat transfer area 25 to 26 m2				issue i.e., 05/02/2024
2.	17.5 KL Capacity reactor with gate type agitator, FLP drive, Gear box, Internal cooling / heating coil, Limpet coil with 120 Finish Polish, Polished surface for internal coil capable of withstanding full vacuum – MOC – SS316L. 7 to 8 mm thickness. Coil Heat transfer area 32 to 33 m2	1	142.50	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
3.	Forced circulation re-boiler, 35 m2, Tube, Tube Sheet, Bonnet end SS316L and MS Shell	1	38.40	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
4.	Reflux condenser, 19 m2, Tube, Tube Sheet, Bonnet end SS316L and MS Shell	2	43.68	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
5.	Distillation column, reflux divider-SS316L	1	17.60	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
6.	Finished product polishing equipment for reducing color- Ceramic / SS316L	1	27.85	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
7.	8 Litr High Press Autoclave System - Stainless Steel High Press Reactor, With Internal Deep Sparger, Internal Cooling Coil, Magnetic Seal For Stuffing Box, Flush Bottom Valve, Specially Designed Agitator With Veriable Frequency Drive For Veriable Agitator Speed. With Flame Proof Agitator Motor, Suitable Size Stainless Steel Condensor & Suitable Size Stainesll Steel Receiver	1	14.30	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
8.	Stainless Steel-SS316 Storage Tank 20 Kl, Limpeted Coil For Steam Heating ,Sides Conical On Ms Frame, Roof Rail, Cage With Flat & Board Type Level Indicator	4	107.08	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
9.	Stainless Steel SS316- Reboiler 8 Kl Working, 50 M2 Steam Heating/ Cooling U Bundle, Saddle Mounted, With Charging, Vent, Vacuum, Thermowell, Manhole & Vapour Nozzle, Drain Nozzle Etc.	1	37.85	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
10.	SS316 Column 600 MM ID X 12 MTR--Fractional Distillation Column, Internal Supports for Packing, Handhole with Covered Blank Flanges, Reflux Nozzle with Distributor	1	15.38	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
11.	Column Packing- Specially Deisgned Stainless Steel Metalic Column Packing For Fractional Distilation Column	1	24.64	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
12.	Condensor- For 8 KL Reboiler & Column System - Shell & Tube Type Condensor Having Both Side Bonnets, Nozzles for Material Vapour, Condensate, Water Cooling Inlet & Out Let Nozzle, Vent, Sheel Side Water Coooling & Tube Side Material, Saddle Mounted	1	14.47	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
13.	SS 316 Receiver with Level Indicator- Vertically	2	10.90	Nynex	90 days from

Sr. No.	Description of Plant and Machinery	Quantity	Amount* (in ₹)	Vendor@	Validity
	Lugs Mounted Monoblock Designed, Suitable for High Vacuum, Mounted with Glass Tube Level Indicator, Light Glass, Sight Glass, Condensate, Drain, Pressure, Vent, Vacuum, Nitrogen Nozzles As Per Requirement			Imports	date of quotation issue i.e., 06/02/2024
14.	Formulating Reactors- Monoblock Designed Stainless Steel Blender With Limpeted Coil For Steam Heating & Water Cooling Purpose, Lug Mounted, Stuffing Box- Gland Packings For Sealing , All Nozzles As Per Requirement, Designed Agitator For Formulating Purpose	2	56.90	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
15.	4.5 KL Reactor System - Stainless Steel reactor with stainless steel internal coil and stainless steel limpted coil with special mechanical seal with designed agitator, reactor suitable for high pressure reaction internal and limpted coil suitable for heating & cooling purpose reactor will have purging sparger thermowell agitator supported with bottom bush.	3	228.00	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
16.	Condensor for 4.5 KL Reactor System - Shell & Tube type condensor having both side bonnets, nozzels for material vapour, condenset water cooling, vent, Shell side water cooling & Tube side material, lifting lugs provided for installation purpose.	3	49.50	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
17.	Receiver for 4.5 KL Reactor System - Lug mounted vertically mono block designed receiver having level indicator, light glass, sight glass, condenset, drain, pressure, vent, vaccum, nozzels, as per requirement.	3	27.00	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
18.	Instrumentation - Gauges, pressure gauge, compound gauge, vaccum gauge, manometers, pressure transmitters, flame proof temperature censor, flame proof temperature indicators, flame proof temperature controllers, auto-vent system, auto-pressure & temperature control cut off system, flowmeteres, auto-level controller, rotameter for distillation column etc.	1	19.00	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
19.	Fire Protection Safety system updation as per Fire guidelines, Fire hydrant System, Sprinklers, Safety Equipment- fire automation sprinkler system, fire hydrant system with alarms, smoke detectors, monitoring system, fire hydrant water hose, hose box, water sprinkler monitor, laddlers, Portable fire extinguishers, fire buckets & etc.	1	66.00	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
20.	Upgradation of existing Effluent Treatment Plant with water reuse system for production capacity of 1000 MT / month screen chamber, O&G chamber & skimmer, Collection tank, Equalization tanks, Raw waste pumps, Settling tank, addition tanks, Aeration, filters and ETP Process technology	1	92.30	Nynex Imports	90 days from date of quotation issue i.e., 06/02/2024
21.	BOILER, 850 kg/ hr capacity, with oil & gas burner dual	1	17.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
22.	Thermopack- 6 lac kcal / hr with oil & gas burner dual	1	17.50	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
23.	Self Supported chimney for Boiler and Thermopack	1	16.50	Pukhraj	3 Months from

Sr. No.	Description of Plant and Machinery	Quantity	Amount* (in ₹)	Vendor@	Validity
				Hastimal & Co.	date of quotation issue i.e., 07/02/2024
24.	Water softner 800m3 capacity between regeneration	1	8.50	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
25.	Hytherm for thermopack plus top up for entire oil heating system	1	41.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
26.	Transformer & HT connection Breaker	1	38.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
27.	APFC Panels with Harmonic filters	1	17.50	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
28.	LT Networking in plant, supplying of metering kiosk, switther gear, breakers, cabling, paneling, termination joints, copper strips, earthing, lights and fixtures.	1	48.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
29.	Charges for electrification, liason, permissions, drawings, approvals, Electrical- Electrification For Equipment, Cable, Cable Tray, Starters, Push Button Etc	1	65.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
30.	20 KL cooling tower basin tank	1	16.76	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
31.	Cooling Tower - induce draft square counter floor FRP cooling tower having following designed parameteres, inlet (HWT) 36 degree celcius, outlet (CWT) 28 degree celcius with direct driven actual flow fan mounted with weather proof motor casing FRP (1piece moulded) fills PVC water distribution header non corrosive type FRP spray nozzles.	1	12.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
32.	Valves - utility & process valves for equipments & utilities as per requirement, safety valves on reactors, rupture disk on reactors as per requirement.	1	36.25	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
33.	Piping - seamless process piping & utility piping for material transfer & as per requirement. Utility piping for cooling, heating, hot oil, nitrogen, air, vaccum, chilled water, vent etc.	1	138.80	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
34.	Insulation--Hot Insulation Lrb Matress As Per Required Size With Aluminium Cladding For Reactor, Reboiler, Column , Vessel , Steam Line/ Hot Oil Lines, Cold - Insulation On Chilled Water Lines	1	46.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
35.	High Vaccum system - suitable for process required high vaccum system, nozzles as per requirement.	1	9.60	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
36.	Specialised instruments Temperature transmitters, indicators, Temperature Control Valves, Level transmitters, Indicators, Instrument quality air generators	1	44.60	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024

Sr. No.	Description of Plant and Machinery	Quantity	Amount* (in ₹)	Vendor@	Validity
37.	Process Pump for machinery - pumps suitable for high viscosity product transfer having head with coupled flame proof motor, base frame, coupling guard, tray mounted, drain nozzle.	1	35.40	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
38.	Utility Pumps for machinery - centrifugal pumps for cooling water supply, water jet ejectors, cooling tower circulation, condenset lifting, as per requirement.	1	37.50	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
39.	Kart Flscher Apparatus	1	1.30	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
40.	Brookfield viscometer	1	2.30	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
41.	Melting point apparatus	1	0.70	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
42.	Color comparator (Gardner)	1	2.50	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
43.	Color comparator (Hazen)	1	2.50	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
44.	Laboratory Glassware	1	2.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
45.	Laboratory Chemicals	1	1.00	Pukhraj Hastimal & Co.	3 Months from date of quotation issue i.e., 07/02/2024
46.	Heavy load bearing platform extension for reactors and machinery installation	1	58.55	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
47.	1+1 plant heavy load bearing structure and with roofing and mezzaine for supporting equipment	1	89.60	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
48.	Distillation system vertical multi level loading bearing structure with top access	1	19.14	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
49.	Complete factory internal roads resurfacing	1	34.41	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
50.	Construction of ETP pits and plith for tanks and process area for additional capacity, storm pits	1	17.61	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
51.	Boiler House Extension	1	12.88	Samarth Engineering	90 days from date of quotation issue i.e.,

Sr. No.	Description of Plant and Machinery	Quantity	Amount* (in ₹)	Vendor@	Validity
					05/02/2024
52.	Underground Water Tank Extension and refurbishing	1	15.50	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
53.	Tank farm, plith, foundations for Tank, reactor platform beams foundation	1	21.75	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
54.	3 coat painting Epoxy for structures, piping, machinery and 3 coating painting for Building	1	36.75	Samarth Engineering	90 days from date of quotation issue i.e., 05/02/2024
<b>Total</b>			<b>2,091.55</b>		

\*Note- Excluding the GST and any other applicable taxes

\*\*GST or any other applicable tax shall be paid from our internal accruals. The quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable shall be paid out of Internal Accruals.

@We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary. Quotation received from the vendor mentioned above is valid as on the date of this 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 be engaged to eventually supply the machineries/equipment or at the same costs. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.

The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. The quantity of machinery to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. Our Company shall have the flexibility to deploy the net proceeds as per the internal estimates of our management and business requirements. This may vary depending on the demand for replacement in our existing equipment. The actual mode of deployment has not been finalised as on the date of this Red Herring Prospectus.

## 2. Funding working capital requirements.

Existing Working Capital requirements:

The details of our Company's working capital as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 derived from Restated Financial Statements, and source of funding of the same are provided in the table below:

(₹ In Lakhs)

Sr. No.	Particulars	Restated Audited Financials			
		31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>I</b>	<b>Current Assets</b>				
	Inventories	1,931.41	875.13	120.18	-
	Trade receivables	1,618.74	804.98	291.55	-
	Cash and cash equivalents	9.99	2.75	2.70	3.58
	Other Financial Assets	20.77	72.88	-	-
	Other Current Assets	1,036.12	396.59	512.09	56.14
	Total (A)	<b>4,617.02</b>	<b>2,152.32</b>	<b>926.52</b>	<b>59.72</b>



Sr. No.	Particulars	Restated Audited Financials			
		31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>II</b>	<b>Current Liabilities</b>				
	Borrowings	897.94	867.73	298.86	58.91
	Trade Payable	1,084.42	90.72	0.53	0.05
	Other Financial Liabilities	19.20	16.20	-	-
	Other Current Liabilities	40.00	9.86	17.41	-
	Short-term provisions	141.99	71.13	0.00	0.00
	<b>Total (B)</b>	<b>2,183.54</b>	<b>1,055.64</b>	<b>316.80</b>	<b>58.96</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>2,433.48</b>	<b>1,096.68</b>	<b>609.71</b>	<b>0.76</b>
<b>IV</b>	<b>Funding Pattern</b>				
	<b>Internal Accruals</b>	<b>2,433.48</b>	<b>1,096.68</b>	<b>609.71</b>	<b>0.76</b>

**Basis of estimation of long-term working capital requirement:**

On the basis of our existing working capital requirements, our Board pursuant to its resolution dated February 09, 2024 has approved the estimated and projected working capital requirements for Financial year 2024 and Financial year 2025 as set forth below:

(₹ In Lakhs)

Sr. No.	Particulars	Projected	Projected	Projected
		FY 2023-24	FY 2024-25	FY 2025-26
<b>I</b>	<b>Current Assets</b>			
	Inventories	1,500.00	1,750.00	1,950.00
	Trade receivables	1,750.00	2,200.00	2,600.00
	Cash and cash equivalents	255.37	313.53	377.85
	Other Current Assets	600.00	1,000.00	1,250.00
	<b>Total (A)</b>	<b>4,105.37</b>	<b>5,263.53</b>	<b>6,177.85</b>
<b>II</b>	<b>Current Liabilities</b>			
	Borrowings	900.00	1,400.00	1,800.00
	Trade Payable	583.00	590.00	600.00
	Other Current Liabilities	15.77	31.19	33.77
	Short-term provisions	239.60	242.34	244.08
	<b>Total (B)</b>	<b>1,738.37</b>	<b>2,263.53</b>	<b>2,677.85</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>2,367.00</b>	<b>3,000.00</b>	<b>3,500.00</b>
<b>IV</b>	<b>Funding Pattern</b>			
	<b>Long Term Borrowings/Internal Accruals</b>	<b>2,367.00</b>	<b>2,500.00</b>	<b>3,500.00</b>
	<b>IPO Proceeds</b>	<b>-</b>	<b>500.00</b>	<b>350.00</b>

**Assumptions for working capital projections made by our Company:**

Our business is working capital intensive. Our business requires working capital majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. On the basis of existing and estimated working capital requirement of our Company, and key assumptions for such working capital requirements, which are mentioned above, our Company will meet the requirement to the extent of ₹850.00 Lakhs from the Net Proceeds of the Issue and balance from internal accruals at an appropriate time.

The table below sets forth the details of holding levels (in days) for Fiscal 2021, Fiscal 2022, Fiscal 2023 as well as

projections for Fiscal 2024 and Fiscal 2025:

Particulars	Estimated	Estimated	Estimated	Actual	Actual	Actual	Actual
	Mar-26	Mar-25	Mar-24	Dec-23	Mar-23	Mar-22	Mar-21
Inventory Holding days	77	91	69	29	23	11	NA
Debtor Holding Days	80	90	91	68	49	30	NA
Trade Payable days	22	29	35	36	38	110	NA

Justification:

Particulars	Details
Trade Receivable Days	<p>Trade receivables are the amount owed to the Company by customers following sale of goods on credit. Trade receivable days are computed as a function of revenue from operations.</p> <p>Our company has estimated the holding level for Trade Receivables days as ranging from 80 days to 90 days considering the normal credit period in the chemical business. Estimated Trade receivable cycle will be 90 days to 80 days for FY 2024- 25 &amp; FY 2025-26 respectively. Typically, the trade receivables cycle is approx. 2.5 months to 3 months however, due to the year-end, some debtors promptly make payments before March-2024 resulting in a lower receivables period as of year-end.</p> <p>We are expecting this to increase marginally to 90 days in Fiscal 2024 from Dec-2023 period and to remain stable in Fiscal 2025 and further reduced to 80 days, more credit period is offered to customers because to penetrate new customers and attract more orders, Company will be required to offer enhanced credit period so that it will encourage new customers to have a long-term business relation with us and also has a competitive edge.</p>
Other current assets	<p>Other current assets relate to Advance to Suppliers for the Raw Material requirement to fulfil the Sales. Accordingly, in line with increase in business operations, there will be need to purchase materials and by making advance payments to enhance cost efficiency of products.</p> <p>It also includes GST credit available to the company and TDS c/f in case excess TDS is deducted by our customers.</p>
Other current Liabilities	<p>Other current liabilities include salary payable as on period end, statutory dues and taxes payable including PT and GST. These payables including salaries &amp; taxes are cleared promptly in the next regular cycle. This figure is expected to increase due to increase in size of the overall business.</p>
Other Financial Liabilities	<p>Other Financial liabilities include salary payable as on period end. These payables including salaries which are cleared promptly in the next regular cycle. This figure is expected to increase due to increase in size of the overall business.</p>
Short term Provisions	<p>Short term payable majorly includes income tax payable (net of Advance tax &amp; TDS), CSR Payable and current portion of the gratuity provision made.</p>
Cash and Cash Equivalent	<p>For 2024, our company is poised to raise funds in the last quarter to due to which we won't have much opportunity to utilize these funds. With a strategic focus on both immediate and long-term objectives, a substantial portion of the funds will be allocated for a new and addressing working capital needs.</p> <p>For 2025, the raised capital, coupled with internal accruals, will be judiciously employed for inorganic growth initiatives, increased spending to capture more sales opportunities. The amounts for 2025 are as per normal business circumstances. The CCE for 2024 looks little higher since we have limited time to utilize these funds.</p>
Inventory Holding Days	<p>Throughout Fiscal Years 2022, 2023, our average inventory turnover days consistently rose, aligning with the growth in our revenue. During Stub period of Dec-23, holding days are low as compared to Fiscal Year 2024 Projections. during the stub period, the inventory days recorded a slight decrease to 29 days, attributed to a significant boost in sales throughout the period.</p> <p>In Fiscal year 2024, high activity period resulting in higher inventory levels, moreover as the prices of the inventory are on a rising mode the higher level of inventory carrying is not deterrent on the financial health of the company. Since the inventory in Fiscal 2024</p>

Particulars	Details
	<p>and upcoming years the average inventory turnover days are estimated to increase.</p> <p>Higher Inventory level and holding days is necessary to meet the rapid demands of new orders effectively, in line with our strategic inventory management objectives.</p> <p>Looking ahead to Fiscal Year 2025, our plan is to maintain the average inventory holding days at approximately 91 days. However, as the situation eases the company shall return to reducing the inventory holding period in the fiscal year 2026.</p>
Trade Payables Holding Days	<p>In Fiscal Years 2022 and 2023 and Dec-23 stub period our average credit cycle period exhibited variations, with figures of 110 days, 38 days to 36 days respectively. The significant decrease in trade payables from Fiscal 2022 to Fiscal 2023 was primarily driven by the post effects of the Covid-19 pandemic. Subsequently, in Fiscal years 2023 and 2024 we managed to maintain the credit cycle period within the anticipated range.</p> <p>Looking forward to fiscal Year 2025 and 2026, we have set objectives to reduce the creditor cycle period to approximately below 30 days due to fulfillment of raw material orders on time by the vendors and thereby making payment effectively within creditor's terms.</p> <p>This strategic move is aimed at enhancing our business's overall value, which in turn, will allow us to negotiate more favourable terms and establish long-lasting relationships with our creditors.</p>

**Source:** Based on certificate by Statutory and Peer Reviewed Auditor, M/s Dave & Dave., Chartered Accountants vide its certificate dated April 15, 2024.

**Reason for substantial increase of working capital requirement are mentioned below: -**

1. Our Company's business is a working capital intensive and to address the current issue of limited working capital and achieve exponential growth, the company plans to infuse funds into working capital from the Issue Proceeds. Additionally, the company aims to establish partnerships with new clients by offering products at competitive prices and extending more favourable credit terms. These strategic initiatives are expected to drive future growth.
2. In our dynamic business environment, where customer demands fluctuate and inventory management plays a pivotal role, maintaining a robust working capital is imperative. Adequate working capital not only facilitates seamless inventory management but also enables us to meet customer demand promptly and efficiently. Unforeseen contingencies such as supply chain disruptions or production delays can adversely impact our operations. Having a surplus of working capital provides a cushion against such challenges, allowing us to navigate unforeseen obstacles without compromising on service levels or operational efficiency.
3. We offer our clients the flexibility to choose from various payment intervals, including monthly, fortnightly, or weekly, based on the nature of the product and the sourcing of its raw materials. This practice aligns with industry standards, ensuring convenience and adaptability for our valued customers. This flexibility can cater to the varying financial capabilities and preferences of our clients, making our products more accessible and appealing to a wider range of customers.
4. Due to the daily fluctuations in the prices on exchanges/platforms, products utilizing inputs such as fatty oils, fatty acids, and agricultural crops exhibit varying price volatilities, with shorter durations for the former and slightly longer durations, particularly post-cropping season, for the latter due to reduced volatility. Additionally, raw materials linked to petroleum and its derivatives entail a relatively longer validity contingent upon price stability. Longer duration orders pose a high risk, particularly in the face of global crises such as the Covid pandemic, conflicts like the Ukraine War, Middle East tensions, and logistical disruptions like the Suez Canal blockage. Consequently, there is a need for increased working capital to accommodate shorter-duration orders.
5. To survive in competitive market, company is planning to enter into newer region and expand our business. This strategic decision is not just about reaching new markets, it's about solidifying our position in the industry and fostering sustainable growth. By venturing into untapped territories, we aim to unlock fresh opportunities, broaden our customer base, and diversify our revenue streams.
6. Our methodology for estimating orders relies predominantly on historical data, ongoing feedback from customers regarding their present and anticipated consumption trends, and a comprehensive analysis of overall market demand, encompassing our understanding of expected trends and patterns. The pricing structure of our products is subject to

fluctuations based on the inputs involved, thus necessitating month-to-month or shorter-term order arrangements. Presently, we do not have any long-term supply contracts with a fixed pricing, as this is feasible only for very large orders of single products.

7. The existing working capital requirements:

- a. The inventories increased by ₹1,056.28 Lakhs (120.61%) from March 31, 2023 to December 31, 2023 and Increased by ₹754.95 Lakhs (621.95%) from March 31, 2022 to March 31, 2023. Such an increase was due to increase in business operations of the Company and higher production and procurement of goods in order to take advantage of favourable market conditions. Since speciality chemical industry is a growing industry, to meet the growing demands the Company will increase its inventories as depicted in estimations for FY 2024-25 and FY 2025-26.
- b. The Trade receivables increased by ₹813.76 Lakhs (101.22%) from March 31, 2023 to December 31, 2023 and increased by ₹513.43 Lakhs (176.21 %) from March 31, 2022 to March 31, 2023. This increase is attributed to higher sales on credit terms and increased business volume. To reach a higher customer base and increase the volume of sales, the Company will have to undertake credit sales resulting in an upward trend in trade receivables as depicted in estimations for FY 2024-25 and FY 2025-26.
- c. The increase in Borrowings by ₹239.95 Lakhs (413.46%) from March 31, 2021 to March 31, 2022 and by ₹568.87 Lakhs (191.02%) from March 31, 2022 to March 31, 2023 was a result from strategic borrowing to fund growth initiatives and operational requirements and a similar increase can be seen in the estimations for FY 2024-25 and FY 2025-26.
- d. To meet the increasing demands, the purchase of raw material often times is done on credit basis resulting in increase in Trade Payables of the Company by ₹90.19 Lakhs from March 31, 2022 to March 31, 2023 and by ₹993.70 Lakhs from March 31, 2023 to December 31, 2023. The Company plans to reduce the reliance of trade credit to finance its operations and as a result of the same, the estimations for FY 2024-25 and FY 2025-26 depict a diminishing increase in the Trade Payables.
- e. The average debtor collection cycle has increased from 49 days in FY 2023 to 68 days in FY 2024 and the average creditor payment cycle has remained the same. As a result, the working capital requirement of the company has increased in FY 2023-24.

**Justification of Working Capital for FY 2023 vis a vis 2022**

1. The chemical prices in FY 2023 had reduced drastically on an average basis by 30-35% as compared to FY 2022. As a result, the working capital requirement for FY 2022-23 is substantially less than FY 2021-22.
2. The Financial Year 2021-22 was the first year of operations of the company and therefore the company was unable to obtain high credit cycles from its debtors and creditors. Accordingly, the working capital cycle for the first year via FY 2022 was abnormally high.
3. The Gross Revenue of the company has increased by 2.3 times in FY 2023 and working capital has increased only 1.79 times in FY 2023. The reason for the in-equivalent increase in working capital is for the reason that the promoter had given unsecured loan to the company to the extent of 3.14 Crores. The said funds had been mobilized into day to day operations of the company in time and since the rotation of money with Debtor and Creditor was faster the company was able to grow faster and the working capital requirement of the company had grown only in a controlled manner.
4. The 'Working Capital Margin Ratio' for FY 2022 cannot be compared to FY 2023, because the PAT margins in FY 2022 was extremely low due to smaller factory and lower revenue from operations and high fixed costs.

**Justification of Working Capital for FY 2024 vis a vis 2023**

1. The average debtor collection cycle has increased from 49 days in FY 2023 to 68 days in FY 2024 and the average creditor payment cycle has remained the same. As a result, the working capital requirement of the company has increased in FY 2023-24.
2. The Working Capital disclosed for December 2023 of Rs. 24.33 Crores includes 'Advance given for Plant & Machinery' of 5.13 Crores. Accordingly, the said amount should be excluded while comparing the working capital for FY 2023 and FY 2024.

3. The company has started procuring raw materials from Large distributors in FY 2024 as against smaller traders in FY 2023. Therefore, the purchase prices of RM have gone down but the lead time for procuring raw materials has increased. The average stock holding period of the company has increased from an average 20-25 days to 50-60 days in FY 2024. This has resulted in an increase in working capital for FY 2024. This is the primary reason for raising funds in the IPO.

### 3. General Corporate Purposes:

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 ₹[●] Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- Acquisition/hiring of land/property for building up corporate house,
- Hiring human resources including marketing people or technical people in India or abroad,
- We may also enter into strategic alliances with other body corporates for expansion of our business in abroad or in India.
- Funding growth opportunities;
- Servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- Capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- Working capital;
- Meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- Strategic initiatives and
- On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### **ESTIMATED ISSUE RELATED EXPENSES**

The total expenses of the Issue are estimated to be approximately [●] Lakhs. The expenses of the Issue include, amongst others, listing fees, selling commission, fees payable to the BRLM, fees payable to legal counsels, fees payable to the Registrar to the Issue, Bankers to the Issue, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing and trading of the Equity Shares on the Stock Exchanges.

The details of the estimated issue related expenses are tabulated below:

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

Notes:

1. Up to February 09, 2024, Our Company has deployed/incurred expense of ₹6.00 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor M/s. Dave & Dave., Chartered Accountants vide its certificate dated February 09, 2024, bearing UDIN: 24042889BKEMYT7321.
2. Any expenses incurred towards aforesaid issue related expenses during the period from September 26, 2023 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.
3. Issue expenses include goods and services tax, where applicable. Issue expenses will be incorporated at the time of filing of the Red Herring Prospectus with the RoC. Issue expenses are estimates and are subject to change.

Structure for commission and brokerage payment to the SCSBs Syndicate, RTAs, CDPs and SCSBs:

- 1) SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
- 2) Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
- 3) No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
- 4) The commission and processing fees shall be released only after the SCSBs provide a written confirmation to the Book Running Lead Manager not later than 30 days from the finalization of Basis of Allotment by Registrar to the Issue in 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 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.
- 5) Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

## **BRIDGE LOANS**

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

## **MONITORING OF UTILIZATION OF FUNDS**

As this is a Fresh Issue for less than ₹10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI LODR Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects.

This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

## **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, as amended,

as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, 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 utilisation 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.

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## BASIS FOR ISSUE PRICE

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

Bidders should read the following basis with the section titled “Risk Factors” and chapters titled “Restated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business Overview” beginning on page no. 24, 169, 209 and 113 respectively, of this Red Herring Prospectus to get a more informed view before making any investment decisions.

### QUALITATIVE FACTORS

Some of the qualitative factors and our strengths which form the basis for the Issue Price are:

- Experienced Promoter and Management Team.
- Scalable Business Model.
- Wide and diverse range of product offerings.
- In-house manufacturing facility with equipped machines and processes. Further having in-house Quality Control and Research & Development facility.

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please see chapter titled “Business Overview” beginning on page no. 113 of this Red Herring Prospectus.

### QUANTITATIVE FACTORS

The information presented in this chapter is derived from company’s Restated Financial Statements for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the period ended December 31, 2023 prepared in accordance with Indian Accounting Standards (Ind AS). For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page no. 169 of this Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors. Some of the quantitative factors which may form the basis for computing the price are as follows:

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

#### 1. Basic and Diluted Earnings / (Loss) Per Share (“EPS”), as adjusted for changes in capital.

*As per Restated Financial Statements*

Particulars	Basic EPS	Weights	Diluted EPS	Weights
	(in ₹)		(in ₹)	
March 31, 2023	6.48	3	4.80	3
March 31, 2022	0.07	2	0.05	2
March 31, 2021	(0.00)	1	(0.00)	1
<b>Weighted Average</b>	<b>3.26</b>		<b>2.42</b>	
For the period from April 01, 2023 to December 31, 2023 (Not annualized)	<b>10.40</b>		<b>8.66</b>	

Notes:

1. The figures disclosed above are based on the Restated Financial Statements of the Company.
2. The face value of each Equity Share is ₹10.00.
3. 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.
4. Earnings per Share has been calculated in accordance with Ind AS 33 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.



- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period.
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

## 2. **Price Earnings Ratio (“P/E”) in relation to Price Band of ₹[●] to ₹[●] per Equity Share:**

As per Restated Financial Statements

Particulars	(P/E) Ratio at the Floor Price* (no. of times)	P/E Ratio at the Cap Price (no. of times)
<b>Based on Restated Financial Statements</b>		
P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	[●]	[●]
P/E ratio based on the Weighted Average Basic & Diluted EPS	[●]	[●]

\*To be updated at the price band stage.

Note: P/E ratio has been computed dividing the price per share by Earnings per Equity Share.

## 3. **Comparison of accounting ratios with listed Industry peers.**

Name of Company	CMP	Face Value (₹)	Basic EPS (₹)	PE Ratio (times)	RoNW (%)	NAV per Share (₹)
Indian Emulsifier Limited	-	10.00	6.48	-	32.34	14.85
<b>Peer Group</b>						
Fine Organic Industries Limited	4,400.15	5.00	192.63	22.84	38.80%	99.29
Fineotex Chemical Limited	374.00	2.00	4.70	79.57	19.30%	24.34

Source: [www.bseindia.com](http://www.bseindia.com)

Notes:

- The figures for our company are based on Restated Standalone Financial Statements for the year ended March 31, 2023.
- The figures for the Peer Group are based on the Standalone Financial Statements filed for the financial year ended March 31, 2023.
- CMP is the closing prices or the last traded price of respective scripts as on February 09, 2024.
- P/E Ratio has been computed based on their respective closing market price on February 09, 2024 as divided by the Basic EPS as on March 31, 2023.
- Return on Net Worth (%) = Profit for the period/ year / Net Worth at the end of the period/year.
- The Issue Price determined by our Company in consultation with the Book Running Lead Manager is justified by our Company in consultation with the Lead Manager on the basis of the above parameters.

The face value of our share is ₹10/- per share and the Issue Price is of ₹[●] per share are [●] times of the face value.

Investor should read the above-mentioned information along with the section titled “Risk Factors” beginning on page no. 24 of this Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “Restated Financial Statements” beginning on page no. 169 of this Red Herring Prospectus.

## 4. **Return on Net worth (RoNW).**

As per Restated Financial Statements

Particulars	RONW (%)	Weights
March 31, 2023	32.34	3
March 31, 2022	0.53	2
March 31, 2021	(58.65)	1
Weighted Average	6.57	-
For the period from April 01, 2023 to December 31, 2023 (Not annualized)	25.60	-

Note:

- Return on Net Worth (%) = Profit for the period/ year / Net Worth at the end of the period/year.

2. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Net worth of the Company.

## 5. Net Asset Value (NAV) per Equity Share (Face Value of ₹10 each).

### As per Restated Financial Statements

Financial Year	NAV (₹)
March 31, 2023	14.85
March 31, 2022	10.05
March 31, 2021	6.30
For the period from April 01, 2023 to December 31, 2023 (Not annualized)	29.26
Net Asset Value per Equity Share after the Issue at Floor Price	[●]
Net Asset Value per Equity Share after the Issue at Cap Price	[●]
Issue Price*	[●]

\*Issue Price shall be updated in the Prospectus prior to opening the Issue.

#### Notes:

1. Net Asset Value per Equity Share (in ₹) = Net Worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.
2. Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

## 6. Key Performance Indicators (“KPI”).

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 various verticals in comparison to our peers. The KPIs disclosed below have been approved by a resolution of our Audit Committee dated February 09, 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 Red Herring Prospectus. Further, the KPIs herein have been certified by Peer review Auditors by their certificate dated February 09, 2024.

The KPIs of our Company have been disclosed in the chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 113 and 209 of this Red Herring Prospectus, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page no. 1 of this Red Herring Prospectus.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the chapter titled “Objects of the Issue” beginning on page no. 79 of this Red Herring Prospectus, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Issue as per the disclosure made in the chapter titled “Objects of the Issue” beginning on page no. 79 of this Red Herring Prospectus, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### a) Key Performance Indicators of our Company\*

(₹ in Lakhs)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	4,867.36	4,117.97	1,768.31	-
EBITDA <sup>(2)</sup>	1119.22	786.19	79.49	(0.37)
EBITDA Margin (%) <sup>(3)</sup>	22.99%	19.09%	4.50%	-
PAT	675.01	389.44	4.31	(0.37)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
PAT Margin (%) <sup>(4)</sup>	13.87%	9.46%	0.24%	-
Return on equity (%) <sup>(5)</sup>	25.61%	32.33%	0.53%	(58.65%)
Return on capital employed (%) <sup>(6)</sup>	38.03%	55.50%	7.19%	(58.65%)
Debt-Equity Ratio (times) <sup>(7)</sup>	0.51	0.97	0.94	-
Net fixed asset turnover ratio (times) <sup>(8)</sup>	3.46	3.24	1.81	-
Current Ratio (times) <sup>(9)</sup>	2.11	2.19	2.92	1.01
Net profit ratio (%) <sup>(10)</sup>	13.87%	9.46%	0.24%	-

\*As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.

**Notes:**

1. 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.
2. EBITDA provides information regarding the operational efficiency of the business.
3. EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
4. PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
5. Return on equity (ROE) is a measure of financial performance.
6. Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital.
7. Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers.

**b) Description on the historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.**

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Financial Information. We use these KPIs to evaluate our performance. Some of these KPIs are not defined under applicable Indian Accounting Standards and are not presented in accordance with applicable Accounting Standards. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing results, when taken collectively with financial measures prepared in accordance with applicable Indian Accounting Standards.

**Explanations for the certain financial data based on Restated Financial Statements**

Key Financial Performance	Explanations
Financial KPIs	
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business
Return on equity (%)	Return on equity (ROE) is a measure of financial performance
Return on capital employed (%)	Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital
Debt-Equity Ratio (times)	Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers
Net fixed asset turnover ratio (times)	Net fixed asset turnover ratio is indicator of the efficiency with which our company is able to leverage its assets to generate revenue from operations
Current Ratio (times)	The current ratio is a <a href="#">liquidity ratio</a> that measures our company's ability to pay short-term obligations or those due within one year

Key Financial Performance	Explanations
Net profit ratio (%)	Net Profit Margin (also known as “Profit Margin” or “Net Profit Margin Ratio”) is a financial ratio used to calculate the percentage of profit our company produces from its total revenue

### c) Comparison with Listed Industry Peers.

As on March 31, 2023:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	Indian Limited	Emulsifier Limited	Fine Organic Industries Limited	Fineotex Limited	Chemical Limited
Revenue from Operations <sup>(1)</sup>	4,117.97		302,914.62		29,555.04
EBITDA <sup>(2)</sup>	786.19		84,537.63		7,165.20
EBITDA Margin (%) <sup>(3)</sup>	19.01%		27.91%		24.24%
PAT <sup>(4)</sup>	389.44		59,059.89		5,201.93
PAT Margin (%) <sup>(5)</sup>	9.46%		19.50%		

As on March 31, 2022:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	Indian Limited	Emulsifier Limited	Fine Organic Industries Limited	Fineotex Limited	Chemical Limited
Revenue from Operations <sup>(1)</sup>	1,768.31		1,85,842.83		25,007.90
EBITDA <sup>(2)</sup>	79.49		38,155.61		5,952.46
EBITDA Margin (%) <sup>(3)</sup>	4.50%		20.53%		23.80%
PAT <sup>(4)</sup>	4.31		25,006.93		4,397.99
PAT Margin (%) <sup>(5)</sup>	0.24%		13.46%		17.59%

As on March 31, 2021:

(₹ in Lakhs, otherwise mentioned)

Key Financial Performance	Indian Limited	Emulsifier Limited	Fine Organic Industries Limited	Fineotex Limited	Chemical Limited
Revenue from Operations <sup>(1)</sup>	-		112,129.01		12,947.77
EBITDA <sup>(2)</sup>	(0.37)		20,909.36		4,673.89
EBITDA Margin (%) <sup>(3)</sup>	NA		18.64%		36.10%
PAT <sup>(4)</sup>	(0.37)		11,493.18		3,598.74
PAT Margin (%) <sup>(5)</sup>	NA		10.25%		27.79%

Notes:

- (1) Revenue from operation means revenue from sale of products.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses.
- (3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- (4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (5) Financial information for Indian Emulsifier Limited is derived from the Restated Financial Statements.
- (6) All the financial information for listed industry peers mentioned above is on a standalone basis and is sourced from the annual reports as available of the respective company for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 submitted to stock exchanges.
- (7) Listed peers are as identified by us on the basis of similar line of business with our Company, however not comparable with size of our Company.

## 7. Justification for Basis for Issue price

### a. The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares.

Except as mentioned below, there has been no issuance of Equity Shares (excluding shares issued under ESOP/ESOS and issuance of bonus shares), during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre- Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Total Consideration
March 31, 2022	60,00,000	10/-	10/-	Cash	Right Issue	6,00,00,000
November 11, 2023	9,01,122	10/-	84/-	Cash	Preferential Issue	7,56,94,248
November 21, 2023	21,00,100	10/-	10/-	Other than Cash	Conversion of Preference Shares into Equity Shares	2,10,01,000
Weighted average cost of acquisition (WACA) Primary Issuances (in ₹ per Equity Share)						17.41/-

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

Except as mentioned below, there have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring 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- Issue share 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.

Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired/ Sold	Total Consideration	Subscribed/ Acquired/ Transferred
Yash Tikekar	April 30, 2023	Promoter and Chairman and Managing Director	15,39,334 @15/-	2,30,90,010	Transfer from VRT Enterprises Private Limited
Yash Tikekar	November 21, 2023	Promoter and Chairman and Managing Director	21,00,100 @10/-	2,10,01,000	Conversion of Preference shares to Equity Shares*
Yash Tikekar	January 18, 2024	Promoter and Chairman and Managing Director	(17,39,840) @61.50/-	(10,70,00,160)	Transfer to Wellfin Resources and Logistics Private Limited
Yash Tikekar	January 21, 2024	Promoter and Chairman and Managing Director	(5,09,600) @61.50/-	(3,13,40,400)	Transfer to Comercinate Enterprises Private Limited
Yash Tikekar	February 01, 2024	Promoter and Chairman and Managing Director	(1,55,600) @61.50/-	(95,69,400)	Transfer to Comercinate Enterprises Private Limited
Weighted average cost of acquisition (WACA) Secondary Issuances (in ₹ per Equity Share)*					(84.10)/-

**\*0.01% Optionally Convertible Non-Cumulative Redeemable Preference Shares (OCNCRPS) was convertible.**

**c. Since there is an eligible transaction of our Company reported in (a) & (b) above in accordance with paragraph (9)(K)(4)(a) of the SEBI ICDR Regulations, the price per Equity Share of our Company based on the last five primary or secondary transactions in Equity Shares (secondary transactions where the Promoters/Promoter Group entities, Selling Shareholders or Shareholders having the right to nominate director on the Board are a party to the transaction) not older than 3 years prior to the date of filing of this Red Herring Prospectus has not been computed.**

**d. Weighted average cost of acquisition, Issue Price.**

Based on the disclosures in (a) above, the weighted average cost of acquisition of Equity Shares as compared with the Offer

Price is set forth below:

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share) ^	Floor Price (₹ [●])*	Cap Price (₹ [●])*
Weighted average cost of acquisition of primary issuances	17.41/-	[●]	[●]
Weighted average cost of acquisition for secondary transactions	(84.10)/-	[●]	[●]

^As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.

- e. Explanation for Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in 8 (d) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2023, 2022 and 2021 and for the period ended December 31, 2023.

[●]\*

\*To be included on finalisation of Price Band.

- f. The Issue Price is [●] times of the face value of the equity shares

The face value of our share is ₹10/- per share and the Issue Price is of ₹[●] per share are [●] times of the face value. Our Company in consultation with the Book Running Lead Manager believes that the Issue Price of ₹[●] per share for the Public Issue is justified in view of the above quantitative and qualitative parameters. Investor should read the above-mentioned information along with the section titled "Risk Factors" beginning on page no. 24 of this Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled "Restated Financial Statements" beginning on page no. 169 of this Red Herring Prospectus.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors  
**INDIAN EMULSIFIERS LIMITED**  
Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar  
Road Near Doordarshan Kendra, Off Pandurang Budhwar  
Marg, Worli, Mumbai-400 018, Maharashtra, India.

Dear Sir,

**Sub: Statement of Possible Special Tax Benefit ('the Statement') Available to Indian Emulsifiers Limited and its Shareholders Prepared in Accordance with the Requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations').**

### **Reference - Initial Public Offer of Equity Shares by Indian Emulsifiers Limited.**

We hereby confirm that the attached Annexure 1 and 2 (together "the Annexures"), prepared by the Indian Emulsifiers Limited (Formerly known as Indian Emulsifiers Limited Private Limited) ("the Company"), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ("the Act") as amended by the Finance Act 2023, Circulars and Notifications issued thereunder from time to time, as applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, the Central Goods and Services Tax Act, 2017/ the Integrated Goods and Services Tax Act, 2017 ("GST Act"), as amended by the Finance Act 2023, Circulars and Notifications issued from time to time, as applicable for the Financial Year 2023-24, presently in force in India (together, the "Tax Laws").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and/ or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the attached Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
2. We do not express any opinion or provide any assurance as to whether: i) the Company or its shareholders will continue to obtain these benefits in future; ii) the conditions prescribed for availing the benefits have been/ would be met with; and iii) the Revenue Authorities/Courts will concur with the views expressed herein.
3. The contents of the attached Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. We do not give any assurance that the Revenue Authorities/ Courts will concur with the view expressed herein. Our views are solely based on existing provisions of law being force in India and implementation of such laws, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Red Herring Prospectus/ Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For M/s Dave & Dave  
Chartered Accountants  
FRN No.: 102163W**

**Sd/-**

**CA Lilashankar Dave  
Partner  
Membership No.: 042889  
UDIN No: 24042889BKEMYV1358**

**Place: Mumbai  
Date: February 09, 2024**



## ANNEXURE 1 TO THE STATEMENT OF POSSIBLE TAX BENEFITS

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

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

1. **Special Tax Benefits available to the Company under the Act:** The Company is not entitled to any Special tax benefits under the Act.
2. **Special Tax Benefits available to the shareholders of the Company:** The Shareholders of the company are not entitled to any Special tax benefits under the Act.

**Notes:**

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

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Red Herring Prospectus/Red Herring Prospectus.

**For M/s Dave & Dave  
Chartered Accountants  
FRN No.: 102163W**

Sd/-

**CA Lilashankar Dave  
Partner  
Membership No.: 042889  
UDIN No: 24042889BKEMYV1358**

**Place:** Mumbai  
**Date:** February 09, 2024

## ANNEXURE 2 TO THE STATEMENT OF POSSIBLE TAX BENEFITS

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

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

- A. SPECIAL TAX BENEFITS TO THE COMPANY** - The Company is not entitled to any special tax benefits under the Act.
- B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER** - The Shareholders of the Company are not entitled to any special tax benefits under the Act.

**Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law. We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Red Herring Prospectus/Red Herring Prospectus.

**For M/s Dave & Dave  
Chartered Accountants  
FRN No.: 102163W**

Sd/-

**CA Lilashankar Dave  
Partner  
Membership No.: 042889  
UDIN No: 24042889BKEMYV1358**

**Place: Mumbai  
Date: February 09, 2024**

## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. You should read the entire Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Restated Financial Statements” and related notes beginning on page no. 24 and 169 respectively of this Red Herring Prospectus before deciding to invest in our Equity Shares.*

#### ECONOMIC GROWTH

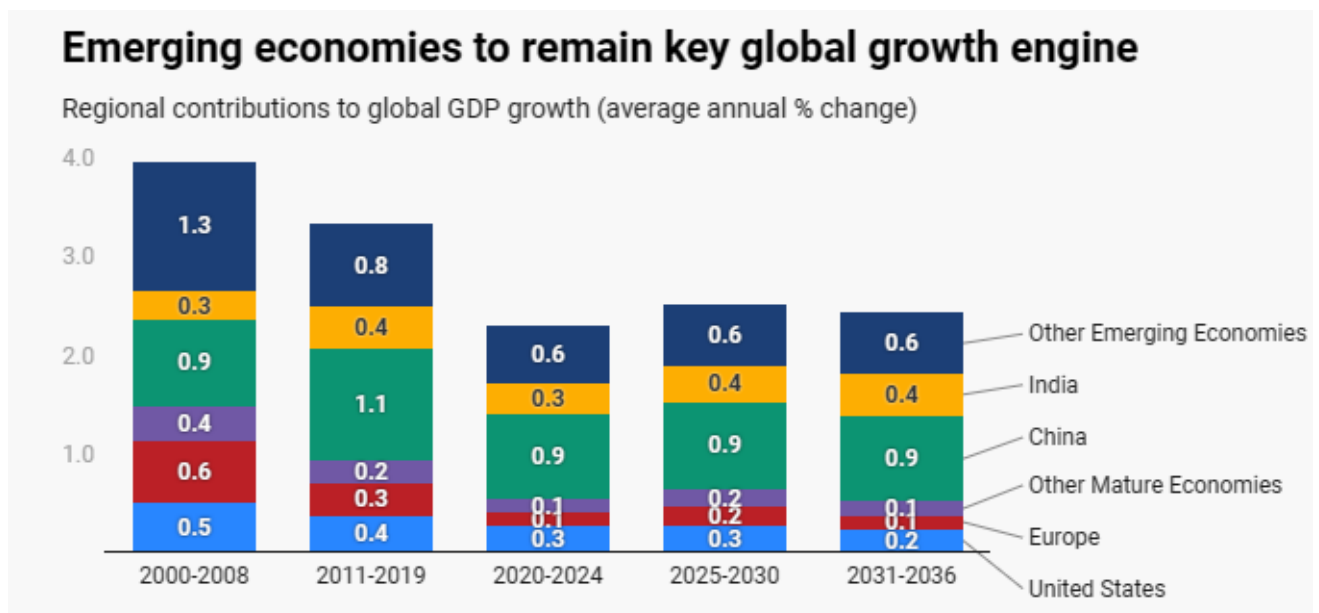
The anticipated global real GDP growth for 2023 has been revised slightly upward to 3.2% from our November projections, indicating a modest 0.1% increase. As we approach the finalization of 2023 data with the release of Q4 numbers in February, the current trajectory of growth has notably outpaced earlier estimations.

Comparing the current outlook to projections made a year ago, there has been a substantial rise of one full percentage point in our global growth forecast. This surprising uplift primarily stems from the exceptional performance of the United States, which has exceeded expectations. Additionally, several emerging market economies, notably India, have displayed remarkable momentum, contributing to this unexpected positive trend.

Our projection for global real GDP growth in 2024 has seen a marginal increase of 0.1%, now standing at 2.6%. The Global Purchasing Managers Indices have indicated a concerning trend, showcasing a mild contraction in global industrial activity over the past eighteen months. Furthermore, the more erratic global services activity stalled notably in October and November.

This prevailing weakness is anticipated to persist into the early months of 2024. It is largely attributed to the impact of rigorous monetary policy tightening implemented globally to address inflationary pressures. These measures are expected to exert a constraining influence on economic activity.

The upside growth surprises in 2023 stemmed mainly from emerging and developing economies. Growth accelerated to what we expect will be a rate of 4.5% in 2023, up from 3.9% in 2022. Emerging and developing economies will lose some of that momentum next year, but we still project 3.8% real GDP growth for both 2024 and 2025, well above our longer-term model forecast. Yet, it is mature/advanced economies other than the US that experienced the most difficult 2023. Real GDP growth among that group of economies slowed from a very robust 3.1% in 2022 to a projected 0.9% in 2023, and our 1% forecast for 2024 suggests only limited improvement in 2024.



[Source: <https://www.conference-board.org/topics/global-economic-outlook>]

## Indian Economy

India to witness GDP growth of 6.0 per cent to 6.8 per cent in 2023-24, depending on the trajectory of economic and political developments globally. Economic survey 2022-23 projects a baseline GDP growth of 6.5 per cent in real terms in FY24.

India is one of the fastest growing economies of the world and is poised to continue on this path, with aspirations to reach high middle-income status by 2047, the centenary of Indian independence. It is also committed to ensuring that its continued growth path is equipped to deal with the challenges of climate change, and in line with its goal of achieving net-zero emissions by 2070. The growth of the past two decades has also led to India making remarkable progress in reducing extreme poverty. Between 2011 and 2019, the country is estimated to have halved the share of the population living in extreme poverty - below \$2.15 per person per day (2017 PPP) (World Bank Poverty and Inequality Portal and Macro Poverty Outlook, Spring 2023). In recent years, however, the pace of poverty reduction has slowed especially during the COVID-19 pandemic, but has since moderated in 2021-22.

Certain challenges persist. Inequality in consumption continues, with a Gini index of around 35 over the past two decades. Child malnutrition has remained high, with 35.5 percent of children under the age of 5 years being stunted, with the figure rising to 67 percent for children in the 6-59 months age group. Headline employment indicators have improved since 2020 but concerns remain about the quality of jobs created and the real growth in wages, as well as around the low participation of women in the laborforce.

India's aspiration to achieve high income status by 2047 will need to be realized through a climate-resilient growth process that delivers broad-based gains to the bottom half of the population. Growth-oriented reforms will need to be accompanied by an expansion in good jobs that keeps pace with the number of labour market entrants. At the same time, gaps in economic participation will need to be addressed, including by bringing more women into the workforce.

## OVERVIEW OF THE GLOBAL CHEMICALS INDUSTRY



### Global Specialty Chemicals Market to Reach \$866.9 Billion by 2030

In the changed post COVID-19 business landscape, the global market for Specialty Chemicals estimated at US\$615.7 Billion in the year 2022, is projected to reach a revised size of US\$866.9 Billion by 2030, growing at a CAGR of 4.4% over the period 2022-2030. Agrochemicals, one of the segments analyzed in the report, is projected to record 4.3% CAGR and reach US\$142.5 Billion by the end of the analysis period. Taking into account the ongoing post pandemic recovery,

growth in the Coatings, Adhesives, Sealants & Elastomers (CASE) segment is readjusted to a revised 5.5% CAGR for the next 8-year period.

### **The U.S. Market is Estimated at \$166.6 Billion, While China is Forecast to Grow at 6.9% CAGR**

The Specialty Chemicals market in the U.S. is estimated at US\$166.6 Billion in the year 2022. China, the world's second largest economy, is forecast to reach a projected market size of US\$181.3 Billion by the year 2030 trailing a CAGR of 6.9% over the analysis period 2022 to 2030. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 2.6% and 3.7% respectively over the 2022-2030 period. Within Europe, Germany is forecast to grow at approximately 3.1% CAGR.

Source: <https://www.marketresearch.com/search?query=Specialty+chemical>

Specialty chemicals are renowned for their exceptional outputs, excellent performance and high functional qualities. These compounds can be formulated to impact the final product's composition, functionality and processing or they can exist as distinct chemical entities. Chemicals, in particular, can be further divided based on the end-user industries.

Furthermore, unlike the commoditized chemical sector, these substances result from substantial research and development, which is a key distinction. A specialty chemical may be limited to one or two primary applications instead of a commodity with hundreds of different applications. Depending on how well they perform, these compounds are used. The market's ongoing R&D has aided in creating goods with top-notch and cutting-edge features.

The demand for agrochemicals is rising, leading to the growth of specialty chemicals. Another primary factor driving the global market for specialty chemicals is the demand created by emerging countries in various end-use sectors.

The growing demand for agrochemicals Due to the growing population and rise in food consumption, agrochemicals are becoming increasingly necessary for enhanced crop protection and production, causing the specialty chemicals market to expand over the forecasted years. Farmers' growing awareness regarding the usage of agrochemicals in farming is causing the market to grow.

A loss in agricultural land due to higher urbanization and industrialization leads to a growing need for agrochemicals to raise crop yield per acre of land, driving the specialty chemicals market growth throughout the forecast period.

Diversified applications of specialty chemicals in emerging economies to give items or substances the intended effect, specialty chemicals are added. Therefore, specialty chemicals find employment across various end-use sectors, including consumer products, packaging, food processing, automotive and pharmaceuticals, due to their numerous properties and compatibility with many other chemicals and substances. For instance, specialty chemicals are widely utilized as fuel additives to improve the quality of gasoline in the automotive industry.

Similarly, many lotions and creams use specialized compounds, such as methyl oleate, as active medicinal ingredients. Due to these countries' rapid industrialization and urbanization rates, specialty chemicals are predicted to have a strong market in emerging economies like India, Brazil and China. Additionally, urbanization has significantly increased people's living standards and purchasing power in these nations.

After COVID-19, one of the main obstacles for manufacturers of specialized chemicals is acquiring raw materials. Before the start of the 2019 pandemic, the majority of producers in the specialty chemicals market relied on China for the supply of raw materials. Manufacturers are reducing their reliance on China as a source of raw materials because of concerns about future uncertainty from the country since it is where the virus originated.

To procure raw materials, manufacturers are expected to use the 1+1 hypothesis (different sourcing techniques). However, as viral transmission spread to many countries throughout the world, it has become crucial for producers to pinpoint alternative supply possibilities. There is a possibility of scarcity in the production of raw materials after COVID-19.

The COVID-19 epidemic in 2020 had a detrimental effect on the market. A pandemic scenario caused numerous countries to go into lockdown, which caused supply chains to get disrupted, work stoppages and a labor shortage. Construction, mining, automotive, cosmetics, food & beverage and other businesses were badly impacted. OICA estimates that in the first three quarters of 2020, worldwide automotive output was around 17.9 million units, 31.1 million units and 52.1 units, respectively, down about 23.1%, 32.4 percent and 22.9 percent from the same period the previous year.

### **Segment Analysis**

By end-user, the specialty chemicals market is segmented into cosmetic chemicals, dyes, inks, & pigments, construction

chemicals, food additives, industrial manufacturing & institutional cleaners, foundry chemicals, electronic chemicals, lubricants & oil additives, oilfield chemicals, rubber processing chemical, textile chemicals, water treatment chemicals, specialty polymers, plastic additives, paints & coatings, mining chemicals, flavors & fragrances and pharmaceutical chemicals.

The majority of the market share is anticipated to belong to pharmaceutical chemicals. The wide range of pharmaceutical industry explains its uses, including the creation of medications for Hughes syndrome, skin conditions and cardiovascular ailments. Pharmaceutical ingredients are essentially the active components found in pharmaceuticals.

### Geographical Analysis

Due to important emerging economies like China, India and Japan in this region, which recorded the greatest market share in the specialty chemicals industry, Asia-Pacific is predicted to have the largest market share overall. For international investors, the region offers significant investment options. Due to China's position as one of the top manufacturing hubs for most industries, including pharmaceuticals & nutraceuticals, personal care & cosmetics, automotive and electrical & electronics, Asia-Pacific has emerged as one of the world's fastest-growing markets for specialty chemicals.

Furthermore, the market for specialty chemicals is anticipated to offer attractive prospects due to the economies of Singapore, Malaysia, Thailand and India's increasing industrialization & diversification. Another factor driving the expansion of the specialized chemicals sector in India is the unprecedented use of chemicals for water treatment. Trade liberalization, rising demand for electronics, improvements in process technology and rising standards of living in most developing nations all contribute to the specialty chemical industry's expansion.

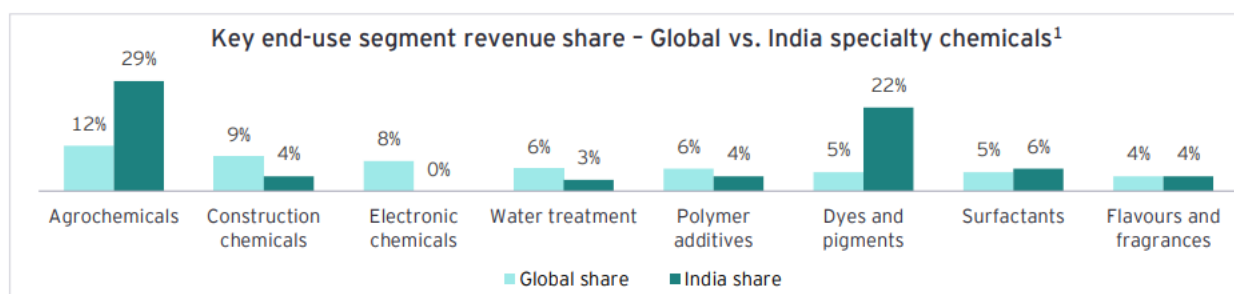
Source: <https://www.marketresearch.com/DataM-Intelligence-4Market-Research-LLP-v4207/Global-Specialty-Chemicals-32098949/>

### LM Comments: Specific segments can be added for overview, Product brochure awaited

## OVERVIEW OF THE CHEMICALS INDUSTRY IN INDIA

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

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world production of dyestuffs and dye intermediates. As per Chemexcil (Chemicals Export Promotion Council), India's agrochemicals export was estimated to be at US\$ 1.04 billion from April 2023-June 2023 (Provisional). Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). From April 2023 to June 2023 (provisional), India's dye exports (Dyes and Dye Intermediates) totaled US\$ 561.56 million.



Source: Axis Capital, Jan'22

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

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

India has traditionally been a world leader in generics and biosimilars and major Indian vaccine manufacturers, contributing more than 50% of the global vaccine supply. Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040.

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

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

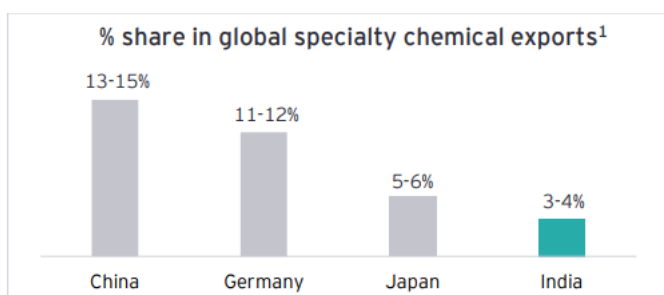
Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the CAPEX of specialty chemicals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

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

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

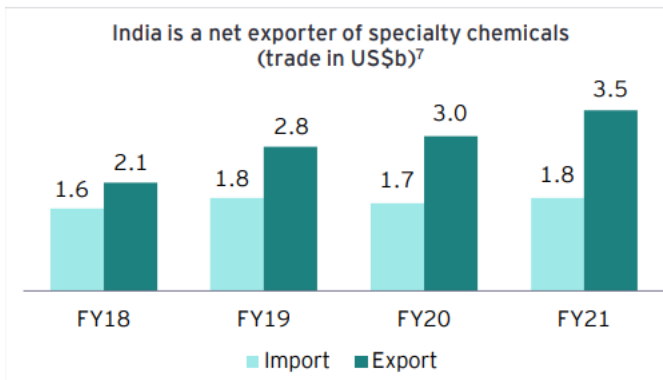
India is in a unique position to benefit from the shift away from China owing to competitive cost advantage and incentivized government policies and reforms (such as allowing 100% FDI in chemicals). For instance a global specialty player in 2021, formed a JV with an Indian glycols player and plans to invest in ethylene oxide derivatives. China's production capacity in agrochemicals is limited, proving beneficial for Indian players as they expand capacities (an Indian agrochemical company and an intermediates player are expanding production capacities).



Source: Axis Capital, Jan'22

Source: Axis Capital

India is already a net exporter of specialty chemicals owing to low-cost manufacturing capabilities, strong standards of environmental compliance and an increased number of products meeting the globally acceptable registration requirements, such as REACH. However, the country still has import substitution potential due to the net import nature of sectors such as dyes and pigments, along with certain polymers (acrylic)



Source: Axis Capital

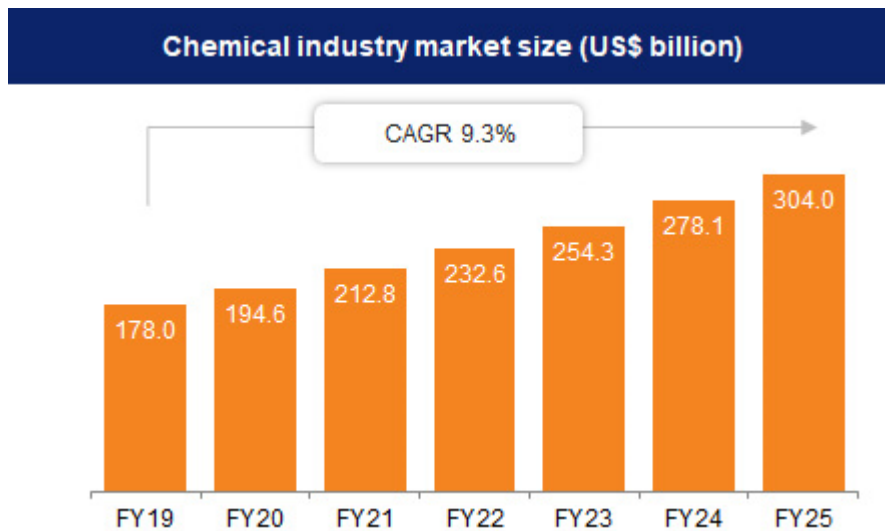
Source: <file:///C:/Users/info/Downloads/ev-indian-specialty-chemical-industry-report-v1.pdf>

### Markets Size

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## Investments And Recent Developments

A few recent developments/investments in the Indian chemical sector are as follows:

- From April 2023 to June 2023 (Provisional), exports of organic (US\$ 1.88 billion) & inorganic (US\$ 483.16 million) chemicals were estimated at US\$ 2.37 billion.
- Imports of organic (US\$ 3.83 billion) and inorganic (US\$ 1.84 billion) chemicals totalled US\$ 5.63 billion from April 2023 to June 2023 (Provisional).
- From April 2023 to June 2023 (Provisional), exports of castor oil, essential oil and Cosmetics and others stood at US\$ 1.01 billion.
- Chemical production reached 926.99 million metric tonnes (MMT) in May 2023, while petrochemical production reached 1,786.39 MMT. In May 2023, production levels of various chemicals were as follows: Soda Ash: 259.52 MMT, Caustic Soda: 287.49 MMT, Liquid Chlorine: 207.18 MMT, Formaldehyde: 28.74 MT and Pesticides and Insecticides: 22.27 MMT.
- In August 2023, the Prime Minister announced a subsidy of US\$ 120.93 billion (Rs. 10 lakh crore) for providing cheaper Urea to farmers.
- In July 2023, Global Chemicals and Petrochemicals Manufacturing Hubs in India (GCPMH 2023) was organized in Delhi, India.
- In June 2023, Himadri Speciality Chemical invested US\$ 7.01 million (Rs. 58 crore) in Sicona Battery Technologies Pty Ltd, (Sydney) for a 12.79% stake.
- In June 2023, Mumbai-based UPL Ltd, will hive off its specialty chemicals business on a slump sale basis to wholly-owned arm UPL Speciality Chemicals Ltd for US\$ 431.96 million (Rs. 3,572 crore).
- In June 2023, Reliance plans to invest US\$ 9.06 billion (Rs. 75,000 crore) over 5 years to expand its oil to chemical business.
- Tata Chemicals intend to invest about US\$ 967.45 million (Rs. 8,000 crore) over the next 2-3 years as capex on an expansion spree that includes scaling businesses sustainably.
- In May 2023, Reliance Industries plans to set up 10 GW solar project in Andhra Pradesh.
- In March 2023, Chennai awaits more bio-CNG plants to enable switch to clean energy.
- On February 15th, 2023, Indian Speciality Chemical Manufacturer' Association (ISCMA) signed an MoU with USIIC to promote trade in speciality chemicals.
- In February 2023, the company is setting up a new formaldehyde plant with 300 TPD capacity at the existing manufacturing facility at GIDC, Ankleshwar in Gujarat.
- In January 2023, Tata Chemicals Europe signs pact with Essar-backed Vertex for sale of low-carbon hydrogen.
- In December 2022, GMM Pfaudler Ltd has entered into an agreement on December 8, 2022 to acquire Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. for US\$ 7.63 million.
- In September 2022, Royal Society of Chemistry (RSC) and CSIR work together to support chemistry in schools across India.
- In September 2022, Spanish perfume maker Puig acquired a controlling stake in Kama Ayurveda Pvt. owning 85% of the company.
- In May 2022, a global investment firm,PAG acquired Optimus group along with consortium partners CX Partners and Samara Capital.
- In April 2022, Dorf Ketal, a manufacturer of research based specialised chemicals has acquired Khyati Chemicals for US\$ 36.28 - 48.48 million (Rs. 300-400 crore).
- Advent International acquired a majority position in Avra Labs in January 2022, uniting it with two other businesses it had previously acquired, RA Chem Pharma and ZCL Chemicals.
- In July 2022, NTPC Renewable Energy Limited (NTPC REL) and Gujarat Alkalies and Chemicals Limited (GACL) signed an MoU to establish India's first commercial-scale Green Ammonia and Green Methanol plants.
- In November 2021, Indian Oil Corporation (IOCL) announced plans to invest Rs. 3,681 crore (US\$ 495.22 million) to set up India's first mega-scale maleic anhydride unit for manufacturing high-value specialty chemicals

at its Panipat Refinery in Haryana.

- In November 2021, Praj Industries Limited and Indian Oil Corporation inked a memorandum of understanding (MoU) to explore opportunities in the production of alcohol-to-jet (ATJ) fuels, 1G & 2G ethanol, compressed bio-gas (CBG) and related opportunities in the biofuels industry.
- In November 2021, Coromandel International announced plans to set up 1,650-metric-tonnes-per-day sulphuric acid plant at its fertiliser complex in Visakhapatnam with an investment of Rs. 400 crore (US\$ 53.69 million).
- On September 30, 2021, Prime Minister, Mr. Narendra Modi, inaugurated the CIPET: Institute of Petrochemicals Technology, Jaipur.
- In October 2021, Nayara Energy announced that it expects 15-20 new integrated petrochemical plants to become operational within the next decade in the country, to meet the rising demand for raw materials used in the plastics and clothing industries.
- In October 2021, Rosneft, Russia, launched a large-scale petrochemical production development programme in India with investments worth ~US\$ 750 million at the current implemented stage.
- In September 2021, Bharat Petroleum Corporation (BPCL), announced plans to invest US\$ 4.05 billion, to improve petrochemical capacity and refining efficiencies over the next five years.
- The government is planning to hold roadshows in eight overseas markets for the proposed investors' summit planned in January 2022, with focus on the petrochemicals sector, and is eager to attract investors to its newly launched Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) near the upcoming crude oil refinery in Pachpadra village (in Barmer district, Rajasthan).

### Government Initiatives

The government has started various initiatives such as mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

The Indian government recognises chemical industry as a key growth element and forecast to increase share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.

- Government to open 25,000 Jan Aushadhi Kendras to make medicines available at affordable prices.
- In April 2023, Cabinet approves the National Medical Devices Policy, 2023.
- The Department of Chemicals & Petrochemicals intend to bring PLI in chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.
- Under the Union Budget 2023-24, the government allocated Rs. 173.45 crore (US\$ 20.93 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US\$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 21.48 billion between April 2000-June 2023.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
  - Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
  - Single window clearance for central and state-level approvals.
  - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US\$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US\$ 213

billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020. The Gujarat Infrastructure Development Corporation (GIDC) has made an investment of around US\$ 2.09 billion (Rs. 17,317 crore) for infrastructure development in the PCPIR.

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

## OUR MARKET OPPORTUNITY

In India, the food industry is a major consumer of emulsifiers due to the increasing demand for processed foods, bakery products, confectionery, and ready-to-eat meals. Emulsifiers play a crucial role in improving the texture, appearance, and shelf life of these products.

The pharmaceutical and cosmetic industries also contribute to the demand for emulsifiers in India. Emulsifiers are used in the formulation of creams, lotions, ointments, and various pharmaceutical products to achieve the desired consistency and stability.

### Growth in Speciality Chemical Market

The importance of chemical industry has resulted in proliferation of chemicals across the globe with the industry sales growing at a Compounded Annual Growth Rate (CAGR) of 4.3% from USD 3,575 billion in (Calendar Year) CY16 to USD 4,062 billion in CY19 and is estimated to grow at a CAGR of 5% to 6% through CY27. This growth will largely be driven by developing markets like Asia Pacific (APAC) which are likely to grow at a higher CAGR of around 7%-8% compared to the growth in more matured markets like US and Europe which will be lower at around 2%-4%. Domestic market for specialty chemical has seen a year on year increase for the last decade. The domestic Industry is expected to grow at 5 to 6% year on year on a regular basis. Further key industries such as Food, Cosmetics, Personal Care and Mining will be seeing a continual growth domestically for the next 10 years.

### Chemical Industry in India

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

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

India has traditionally been a world leader in generics and biosimilars and major Indian vaccine manufacturers, contributing more than 50% of the global vaccine supply. Chemicals and petrochemicals demand in India is expected to nearly triple and reach US\$ 1 trillion by 2040.

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

A network of 200 national laboratories and 1,300 R&D centres provides a strong base to the Indian chemical industry to drive innovations. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.

Specialty chemicals constitute for 22% of the total chemicals and petrochemicals market in India. Within the next five years, India's market share for specialty chemicals is anticipated to double. Specialty chemicals make up 20% of the \$4 trillion worldwide chemicals market, with the Indian market projected to grow at a CAGR of 12% to US\$64 billion by 2025. A healthy increase in demand (CAGR of 10–20%) in the export/end-user industries would be the main driver of this gain. Specialty chemical companies are seeking at import substitutions while exploring export opportunities to accelerate their business.

The Indian specialty chemicals industry is undergoing a transformative phase driven by innovation, investments, and evolving market dynamics. With a focus on sustainability, innovation, and global competitiveness, the industry is expected to continue its growth trajectory in the coming years.

## BUSINESS OVERVIEW

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

All financial information included herein is based on our chapter titled “Restated Financial Statements” beginning on page no. 169 of this Red Herring Prospectus.

Our Company was originally incorporated as Private Limited, under the Companies Act, 2013 (“**Companies Act**”) in the name and style of “*Indian Emulsifier Private Limited*” on December 05, 2020 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Later on, company was converted into public limited company, the name of our Company was changed to “Indian Emulsifier Limited” and fresh Certificate of Incorporation dated January 05, 2024 was issued by the Registrar of Companies, Mumbai, Maharashtra. Subsequently, the Company worked towards setting up of their factory and commenced production starting April, 2021.

Our Promoter Yash Tikekar laid down the foundation of our company in the year 2020 as a Private Limited in the name of “*Indian Emulsifier Private Limited*” with a vision to become a pioneer specialty chemicals manufacturer with a focus on tailor-made solutions to meet customers’ diverse requirements, as we believe that Chemistry Drives Performance.

The Company was incorporated with the objective of Manufacturing and Supplying of Specialty Chemicals i.e., Esters, Amphoterics, Phosphate Esters, Imidazolines, Wax Emulsions, SMO & PIBSA Emulsifiers. The Company has its manufacturing plant at Plot No. E-10 MIDC, Lote Parshuram, Tal. Khed, Ratnagiri 415 722, Maharashtra, India since inception. The facility has a production capacity of 4,800 metric tons per annum as on March 31, 2023 and 3,600 MT per annum for the period ended December 31, 2023\*, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. and its Registered office at Shop 206, Floor 2, Sumer Kendra, Shivram Seth, Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India. The Company was formed with a vision to become a pioneer specialty chemicals manufacturer.

The Company got ISO Certified in the year 2021 as ISO 9001:2015. We are manufacturing the Specialty chemicals industry, with a focus on Esters, Phosphate Esters, Imidazolines, Succinimides, Sulfosuccinates, Specialty Emulsifiers and formulated products. Our Company serve specialty chemicals to wide range of industries such as Mining, Textile, Cleaning Industry, PVC (Poly Vinyl Chloride)/ Rubber, Personal Care, Food and Other Industries.

The manufacturing facility has a production capacity of 4,800 metric tons per annum the capacity has been increased from 2400 MT per annum to 4,800 MT per annum due to additional Reactors installed, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. Operations at the facility are managed by an able and motivated team of highly qualified technical personnel, having expertise in their individual fields. Multipurpose facility designed to have a high degree of flexibility to meet customer needs. Multiple high-pressure stainless-steel reactors equipped to deliver yields from 100 Kg to 8,000 kg per batch providing high level of flexibility. The facility can carry out reactions at temperatures ranging from 10 C to 250 C and pressure 5 kg to 8kg/cm, the reactors are equipped with condenser, vacuum arrangement and receiver and high speed stirred reactor.

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

(₹ in Lakhs)

Industry Segment	December 31, 2023	%	March 31, 2023	%	March 31, 2022	%	March 31, 2021	%
Mining	1,315.80	27.02%	961.4	22.99%	371.55	21.01%	Nil	NA
Personal Care	1,169.80	24.02%	919.9	22.00%	407.51	23.05%	Nil	NA
PVC / Rubber	1,022.30	20.99%	711.1	17.01%	335.45	18.97%	Nil	NA
Textile	681.2	13.99%	753.6	18.02%	300.49	16.99%	Nil	NA
Cleaning	341.00	7.00%	335.85	8.03%	158.8	8.98%	Nil	NA
Other Industries	340.16	6.98%	499.5	11.95%	194.51	11.00%	Nil	NA

Industry Segment	December 31, 2023	%	March 31, 2023	%	March 31, 2022	%	March 31, 2021	%
Total	4,870.16	100.00%	4,181.35	100.00%	1,768.31	100.00%	Nil	NA

#### KEY PERFORMANCE INDICATORS OF OUR COMPANY\*

(₹ in Lakhs)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	4,867.36	4,117.97	1,768.31	-
EBITDA <sup>(2)</sup>	1,119.22	786.19	79.49	(0.37)
EBITDA Margin (%) <sup>(3)</sup>	22.99%	19.09%	4.50%	-
PAT	675.01	389.44	4.31	(0.37)
PAT Margin (%) <sup>(4)</sup>	13.87%	9.46%	0.24%	-
Return on equity (%) <sup>(5)</sup>	25.61%	32.33%	0.53%	(58.65%)
Return on capital employed (%) <sup>(6)</sup>	38.03%	55.50%	7.19%	(58.65%)
Debt-Equity Ratio (times) <sup>(7)</sup>	0.51	0.97	0.94	-
Net fixed asset turnover ratio (times) <sup>(8)</sup>	3.46	3.24	1.81	-
Current Ratio (times) <sup>(9)</sup>	2.11	2.19	2.92	1.01
Net profit ratio (%) <sup>(10)</sup>	13.87%	9.46%	0.24%	-

\*As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.

#### Notes:

- Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
- EBITDA provides information regarding the operational efficiency of the business.
- EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
- PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
- Return on equity (ROE) is a measure of financial performance.
- Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital.
- Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers.

#### OUR BUSINESS SEGMENT/ MAJOR PRODUCTS INCLUDE

Our main products are broadly categories in:

Sr. no.	Name of the Product
1.	Esters
2.	Amphoterics
3.	Phosphate esters
4.	Imidazolines
5.	Wax emulsions
6.	SMO & PIBSA Emulsifiers

#### 1. ESTERS.

Esters are made by reacting a select fatty acid with an alcohol. The fatty acid employed is usually oleic acid or stearic acid. The alcohol can be a monohydric alcohol like ethyl hexanol, or a dihydric alcohol like ethylene glycol or neopentyl glycol, or a polyhydric alcohol (polyol) like trimethyl propane, pentaerythritol, glycerol, sorbitol etc.

Esters are used in a wide variety of Industries extensively. While the ethylene glycol esters and glycerol esters are used as pearling agents and emulsifiers, the higher alcohol esters are used as emollients for creams and lotions.

#### Application: -

- Fragrances and Flavors:** Esters contribute to the pleasant scents and flavors in perfumes, cosmetics, and food products. Many natural and artificial flavors are esters.
- Solvents:** Some esters serve as solvents in paints, coatings, and cleaning products due to their ability to dissolve various substances.
- Plastics and Polymers:** Esters are building blocks for polymers like polyesters, which are used in making textiles, packaging materials, and bottles.

- **Pharmaceuticals:** They play a role in pharmaceuticals as ingredients in drug formulations and in the production of various pharmaceutical compounds.
- **Lubricants:** Certain esters are used as lubricants in automotive and industrial applications due to their properties like high lubricity and thermal stability.

## 2. AMPHOTERICIS.

These are preferred in industrial cleaning formulations due to its hydrotropic and dirt lifting properties, especially when applied by pressure washers. Amphoteric elevates the cloud point of detergent systems and formulations containing non-ionic surfactants, alkali and builders.

They impart free rinsing properties on detergents, leaving a smear free surface. They have very low toxicity and can be used in cleaning in the food industry.

The Dipropionates and Monopropionates are made by reacting fatty alkyl amines and acrylic acid. By changing the type of alkyl amine, and also by changing the mole ratio of the reactants, different grades of Amphoteric are produced.

The Betaines are produced by the reaction of tertiary amines with sodium mono chloro acetate. These are used extensively in shampoos and hand wash formulations by cosmetics manufacturers.

### Application: -

- **Personal Care Products:** Due to their mildness and compatibility with the skin and hair, amphoteric are commonly used in cosmetics and personal care formulations.
- **Cleaning and Detergents:** They are utilized in household and industrial cleaning products for their ability to provide foaming, cleansing, and mildness properties.
- **Industrial and Institutional Applications:** Amphoteric find use in various industrial processes, including inks, coatings, and as additives in the textile and leather industries.

## 3. PHOSPHATE ESTERS.

Mono and diesters of phosphoric acids from alcohols, ethoxylated alcohols and ethoxylated alkyl phenol substrates. They are made by phosphorylation reaction of fatty alcohol substrates by either the polyphosphoric acids route or the phosphorus pentoxide route.

They are highly versatile surfactants offering wide range of applications and are characterized by good stability in alkaline systems and hydrotropic.

They are used in hard surface cleaners, laundry detergents, textile and leather, maintenance chemicals, traffic film removers, paper de-inking, acid cleaners.

They are extensively used in lubricant formulations due to its multiple properties of emulsification, lubricity, load carrying and anti-corrosive properties. They are also used in oil-field chemicals.

### Application: -

- **Flame Retardants:** Phosphate esters are widely used as flame retardants in plastics, textiles, electronics, and construction materials. They help reduce the spread of fires and enhance fire safety in various products.
- **Lubricants:** Some phosphate esters serve as lubricants in industrial machinery due to their excellent lubricating properties and resistance to degradation at high temperatures.
- **Detergents and Cleaners:** Their surfactant properties make certain phosphate esters valuable in cleaning products, contributing to their foaming and cleaning abilities.

## 4. IMIDAZOLINES.

They strongly adsorb on negatively charged surfaces like metal, fibres, plastic, glass and minerals, converting them into hydrophobic surfaces.

They are produced by reacting fatty acids with polyamines, and then carrying out cyclisation at high temperatures.

Imidazolines contain a tertiary amine grouping and thus can be quaternised with usual quaternising agents to form textile softeners.

#### **Application: -**

- **Oil and Gas Industry:** Imidazolines are extensively used in the oil and gas sector as corrosion inhibitors in drilling fluids and pipeline systems to protect metal surfaces from degradation caused by corrosive substances.
- **Cleaning and Personal Care:** Their surfactant properties make imidazolines useful in various cleaning products, shampoos, and cosmetics, contributing to their foaming and cleansing abilities.
- **Agricultural and Biocidal Applications:** Imidazolines with biocidal properties are used in agriculture as fungicides and in disinfectants and antiseptics for their ability to inhibit microbial growth.

#### **5. WAX EMULSIONS.**

They are manufactured under high pressure or the wax to water method. Wax Emulsions are used in paper coating to impart gloss and water resistance. They are used in textile industry as softeners and lubricants.

They are used in paints and printing inks as anti-scuff and anti-mar additives. They are used as temporary protective coatings, façade protection and in wood polishes.

#### **Application: -**

- **Construction and Coatings:** Wax emulsions are applied in construction materials like paints, coatings, and sealants to enhance durability and water resistance.
- **Paper and Packaging:** They are used in paper coatings to impart gloss and improve moisture resistance in packaging materials.
- **Personal Care and Cosmetics:** In personal care products, wax emulsions are utilized in creams, lotions, and cosmetics for their emollient properties.
- **Agriculture:** Wax emulsions find use in agrochemicals for their role in creating protective coatings on seeds or as components in crop protection formulations.

#### **6. SMO & PIBSA EMULSIFIERS.**

Polymeric Surfactants are new generation emulsifiers. We will be making different grades of SMO (Sorbitan Mono Oleate) and PIBSA (poly iso butylene succinic anhydride) which are used in the mining industry in the form of its adducts, as water-in-oil emulsifiers for making Emulsion Explosives. They also ensure appropriate sleeping time, gassing rate, viscosity and water resistance.

Another application of PIBSA is in the lubricants industry. PIBSA is an oil-soluble emulsifier now increasingly used in high performance Metal Working Fluids. MWF are required for all metallic operations to make metal components and to make industrial machinery. The use of coolant extends cutting tool life, improves part finish and tolerance, and improves productivity.

Another major application of PIBSA is in the automotive industry. It is an important component in Engine Oils, in the form of its imide derivative, called PIBSI (poly iso butylene succinic imide). These succinic dispersants consist of a polyisobutylene hydrocarbon chain connected to a polyethylene polyamine substituent group by a succinic anhydride linking group. PIBSI dispersants are ashless, chlorine-free, oil-soluble detergents cum dispersants and are used to formulate finished lube oils including all types of automotive and diesel engine crankcase oils, air and water-cooled 2-cycle engine oils, natural gas engine oils, marine trunk piston engine oils and medium speed railroad diesel engine oils. In additive packages, they are used at 5-50% dosage levels. These additive packages are then blended into finished oils where the typical concentration of PIBSI ranges from 0.5-10%.

The Company will derive its success from its technical capabilities in the production of a wide range of Speciality Chemicals.

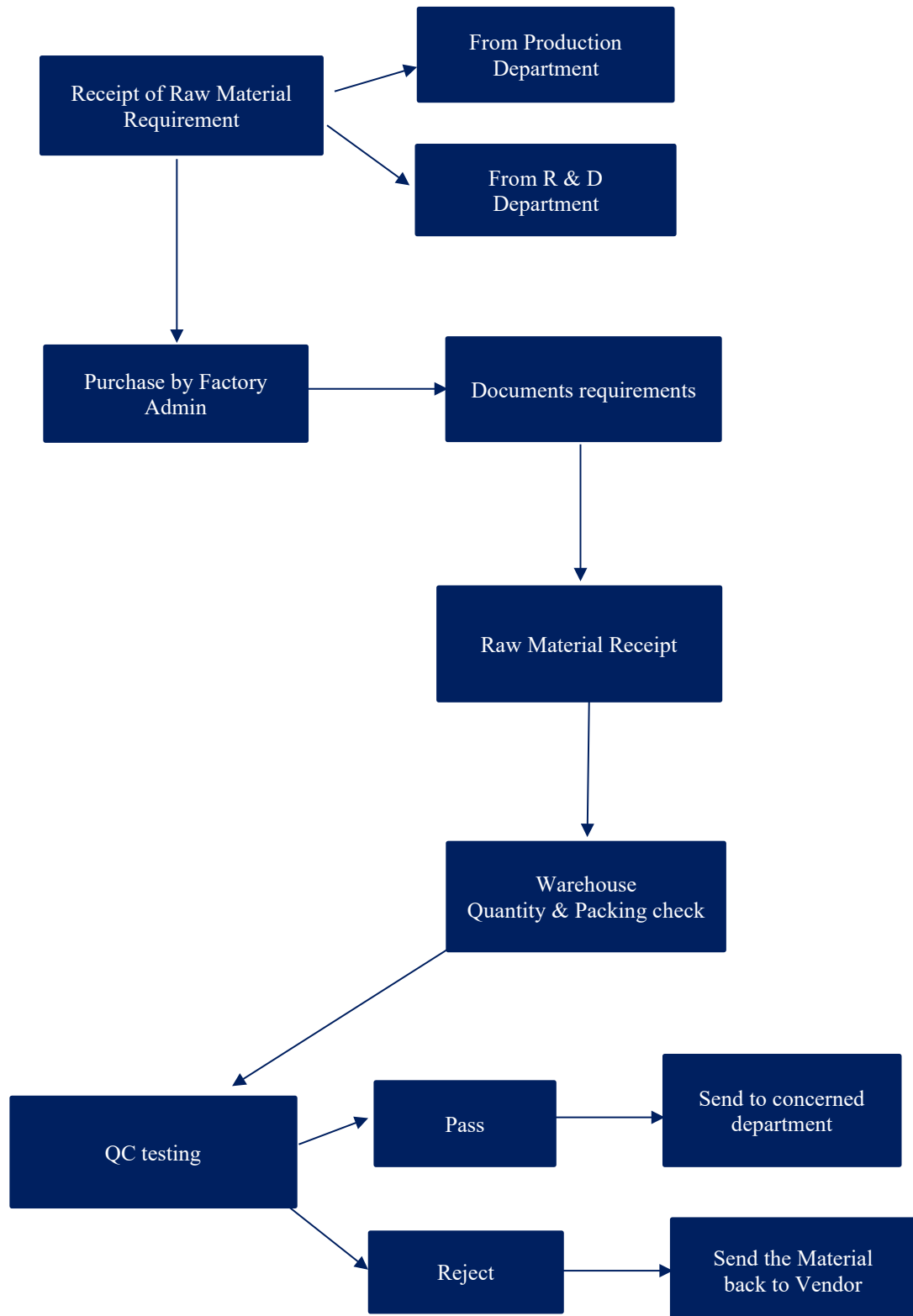
Speciality Chemicals are sold on the basis of their performance rather than their chemical composition. The commodity Surfactants are also typically modified into performance blends, with added value that results from special processing.

The Speciality Chemicals that we will make provides a diverse product line and customer base, where higher percentage margins can generally be obtained. This combination also provides significant opportunities for new businesses, and some insulation from the cyclicity that characterizes most commodities.

#### **Application: -**

- Industrial Processes: Both SMO and PIBSA find applications in various industrial processes. SMO contributes to emulsification and stabilization of products, while PIBSA is used for corrosion protection and lubrication.
- Oil and Gas: PIBSA's corrosion inhibition properties make it particularly valuable in the oil and gas sector, where it helps safeguard equipment and infrastructure against corrosive elements.
- Personal Care and Pharmaceuticals: SMO's emulsifying properties are beneficial in the formulation of personal care products and pharmaceuticals, ensuring stable and uniform compositions.

## RAW MATERIAL





Behind these specialized compounds lie a diverse range of raw materials which are 100% domestically sourced based on competitive market price at the time of procurement. Below is a comprehensive list of raw materials utilized in the production of various specialty chemicals:

- Petroleum/Synthetic Sources: Various organic compound that are a member of the class of ethanolamine, ethyl, carbolic acid, phenolic acid, oleic acid, sodium, zin, phosphorous, etc.
- Agricultural/Fatty Oil Sources: Various organic compound that form part of or are derived from fatty acids, lauric acids, glycerin, refined soyabean oil, sorbitol, etc.
- Agrochemical Sources: Various organic compound that form part of or are derived from methanol, phenolic acid, maleic acid, Alkyl alcohol, etc.
- Petroleum Sources: Various organic compound that form part of or are derived from polyether, isobutene, etc.

## SUMMARY FINANCIALS OF OUR COMPANY

(₹ in Lakhs)

Particulars	For the period December 31, 2023	For the year ended March 31,		
		2023	2022	2021
Revenue from operations	4,867.35	4,117.97	1,768.31	0.00
Other Income	2.80	0.37	0.00	0.00
<b>Total Income</b>	<b>4,870.16</b>	<b>4,118.35</b>	<b>1,786.31</b>	<b>0.00</b>
Less: Cost of Material Consumed	3,555.99	3,239.88	1,450.21	-
Less: Change in Inventory of Finished Goods & W.I.P	(137.51)	(225.72)	(87.56)	
Less: Employee Benefit Expense	40.53	51.40	97.30	0.12
Less: Finance Cost	188.65	204.63	46.59	
Less: Depreciation and amortization Expenses	119.50	118.20	20.85	
Less: Other Expenses	289.12	266.22	228.87	0.23
<b>Profit Before Tax and Exceptional Items</b>	<b>813.86</b>	<b>463.72</b>	<b>12.03</b>	<b>(0.36)</b>
<b>Profit After Tax</b>	<b>675.01</b>	<b>389.43</b>	<b>4.31</b>	<b>(0.36)</b>

For further details on the Financial Statement of our Company, please refer the section titled “Restated Financials Statement” beginning on page no. 169 of this Red Herring Prospectus.

## OUR COMPETITIVE STRENGTH

### *Experienced Promoter and Management Team.*

Our Promoter have played a key role in guiding, developing, and growing our business. Under the leadership and experience of our Promoter, our company has seen significant growth in the overall business started. We believe that leadership is the result of teamwork where a consensus is arrived at for implementation of new ideas & business practices to widen our competitive advantage. Our Promoter, who also form part of the Board of Directors of our Company, have a proven background and experience in the manufacturing of Specialty Chemical.

Also, our Company is managed by a team of industry experienced members. The team comprises of personnel having technical, operational, and business development experience in chemical industries. We believe that our management team’s experience and their understanding of the industry, regulatory affairs, manufacturing, quality control, sales, marketing, and finance will enable us to continue to take advantage of both current and future market opportunities within India and Abroad.

We believe our Promoter and Management’s overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage. This will help us in addressing and mitigating various risks inherent in our business, including technical problems, facing the competitive landscape changes in global economy resulting in fluctuations in chemical pricing across the globe, etc.

### *Scalable Business Model.*

We believe that we have a scalable business model as our business model is customer-centric and order driven, and requires optimum utilization of our existing resources, assuring quality supply and achieving consequent economies of scale. The

business scale generation is basically due to the development of new markets and products in both domestic and international markets by exploring customer needs, marketing expertise and consistent product quality.

**Wide and diverse range of product offerings.**

We have more than 40 plus Specialty Chemicals & Intermediates for Mining, Textile, Cleaning Industry, PVC (Poly Vinyl Chloride)/ Rubber, Personal Care, Food and various other industries. We propose to enhance our product basket in various segment. We manufacture various types of chemical such as Esters, Phosphate Esters, Imidazolines, Succinimides, Sulfosuccinates, and Specialty Emulsifiers. We also manufacture products based on needs and requirements of the clients and our market. We believe that we have necessary resources, experience, and network to launch additional products in future.

**In-house manufacturing facility with equipped machines and processes. Further having in-house Quality Control and Research & Development facility.**

Our manufacturing infrastructure is equipped with glass lined reactors and stainless steel equipment. Our manufacturing facility situated at Lote, Ratnagiri District in Maharashtra. Our facility has its own quality control department. Moreover, we source majority of our raw material locally only.

The factory is equipped with a comprehensive organizational structure comprising vital departments such as Sales, Procurement, Stores, Quality Control, Production, Research & Development, Facility Maintenance, Administration, Quality Assurance, and Security. Each department is instrumental in contributing to the overall operational synergy, working cohesively to uphold the internal quality standards of the company. Sales and Procurement oversee the strategic acquisition of resources, while Stores manage inventory to facilitate smooth production processes. Quality Control and Quality Assurance departments meticulously monitor and uphold the high standards of the final products, ensuring that they meet or exceed the company's benchmarks. Production and Research & Development collaborate to innovate and produce goods of exceptional quality. Facility Maintenance ensures the smooth functioning of equipment, while Administration oversees the administrative aspects of the business. Lastly, Security plays a crucial role in safeguarding the company's assets and maintaining a secure working environment. Together, these departments form a robust framework, ensuring the company's commitment to excellence and quality in every aspect of its operations.

The cornerstone of product development within our facility lies in the Research and Development Department, where innovation takes center stage. Here, products undergo a transformative journey encompassing development, standardization, and commercialization. Leveraging advanced machinery, the chemical processes employed are diverse and sophisticated. These processes include Esterification and Transesterification, Sulphation and Sulphitisation, Quaternisation, Phosphorylation, Emulsification, Imidazoline formation, Wax Emulsion, Amphoteric, Esterquat synthesis, Polyamide creation, Polymerized surfactants, Amides & Imidazolines production, Poly-quaternary ammonium compounds synthesis, Polymerization, and the formulation of specialized products. The Research and Development Department serves as the nucleus for pushing the boundaries of chemical processes, ensuring that our products not only meet but exceed industry standards, leading to innovative solutions that cater to diverse market needs.

**TOP TEN SUPPLIERS AND CUSTOMERS**

**Top 10 Suppliers: -**

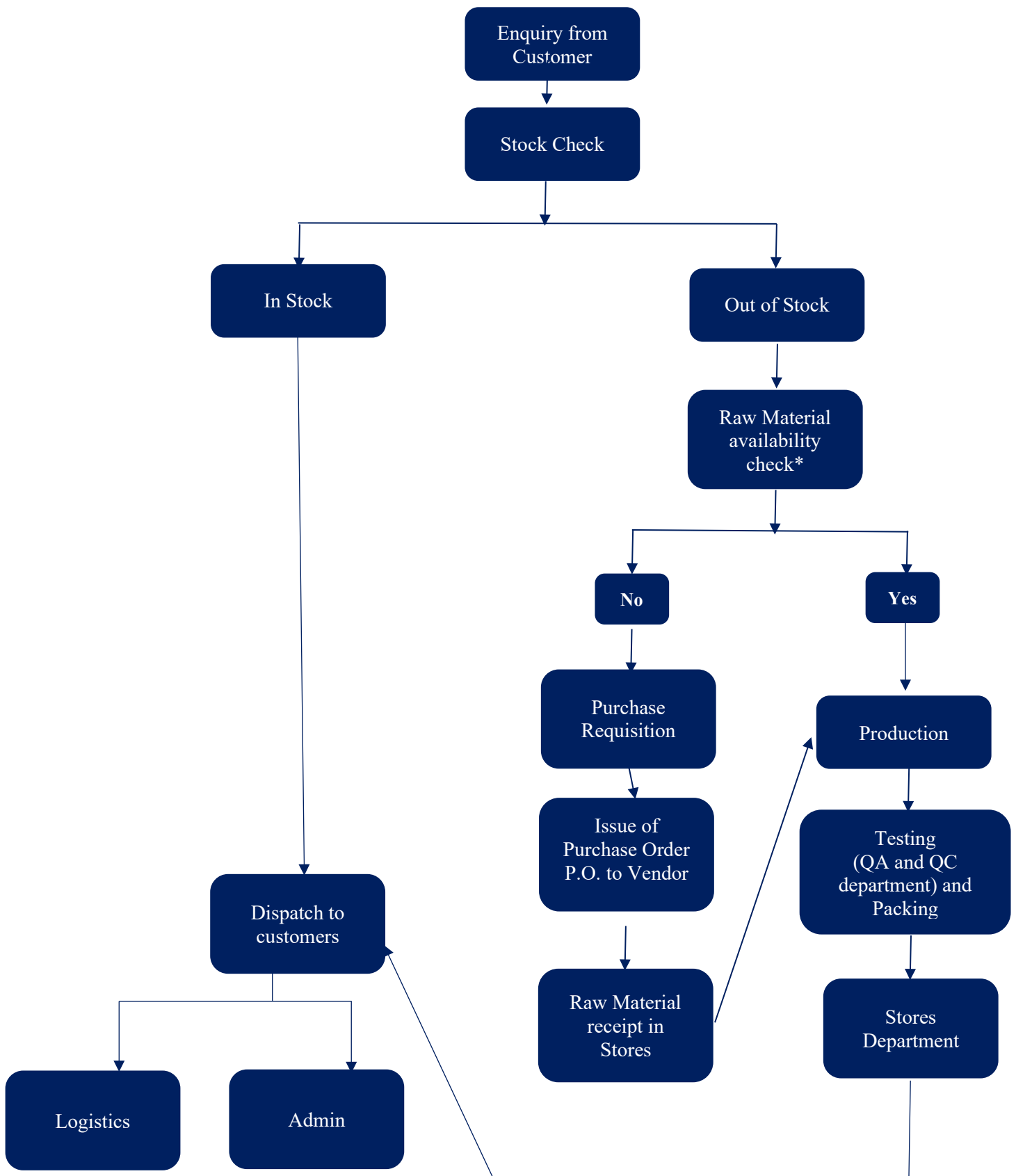
Sr No	Supplier List	Dec-23		Mar-23		Mar-22	
		Amount	% wise of Total Purchase	Amount	% wise of Total Purchase	Amount	% wise of Total Purchase
1	Supplier 1	25,39,73,253	56.76%	12,66,86,655	33.61%	-	
2	Supplier 2	7,84,80,821	17.54%	84,68,950	2.25%	1,40,69,694	9.49%
3	Supplier 3	3,78,75,300	8.46%	10,70,67,400	28.41%	4,79,59,494	32.34%
4	Supplier 4	3,74,95,671	8.38%	7,84,14,641	20.80%	5,75,85,211	38.83%
5	Supplier 5	1,44,30,711	3.22%	2,49,19,342	6.61%	1,09,59,742	7.39%
6	Supplier 6	-	-	34,73,895	0.92%	52,18,725	3.52%
7	Supplier 7	31,61,138	0.71%	-	-	-	-
8	Supplier 8	55,92,457	1.25%	19,38,000	0.51%	-	-
9	Supplier 9	33,15,490	0.74%	49,09,354	1.30%	20,21,458	1.36%

Sr No	Supplier List	Dec-23		Mar-23		Mar-22	
		Amount	% wise of Total Purchase	Amount	% wise of Total Purchase	Amount	% wise of Total Purchase
10	Supplier 10	24,61,300	0.55%	-	-	-	-
11	Supplier 11	13,69,240	0.31%	22,84,500	0.61%	8,14,800	0.55%
12	Supplier 12	-	-	56,31,225	1.49%	-	-
13	Supplier 13	-	-	-	-	10,60,100	0.71%
14	Supplier 14	-	-	-	-	12,28,150	0.83%
15	Supplier 15	-	-	-	-	33,82,095	2.28%
	<b>Total</b>	<b>43,81,55,381</b>	<b>97.92%</b>	<b>36,37,93,962</b>	<b>96.52%</b>	<b>14,42,99,469</b>	<b>97.31%</b>

**Top 10 Customers: -**

Sr No	Customer List	Dec-23		Mar-23		Mar-22	
		Amount	% wise of Total Sales	Amount	% wise of Total Sales	Amount	% wise of Total Sales
1	Customer 1	14,80,34,400	30.41%	9,57,54,000	23.25%	1,54,14,295	8.72%
2	Customer 2	9,87,45,400	20.29%	6,59,07,600	16.00%	1,35,26,553	7.65%
3	Customer 3	-	-	1,15,76,200	2.81%	69,02,400	3.90%
4	Customer 4	8,01,71,141	16.47%	10,47,66,110	25.44%	6,92,88,050	39.18%
5	Customer 5	4,57,01,355	9.39%	2,20,00,456	5.34%	1,07,44,500	6.08%
6	Customer 6	2,67,84,950	5.50%	3,20,04,100	7.77%	2,44,96,550	13.85%
7	Customer 7	2,64,53,488	5.43%	1,55,16,650	3.77%	1,18,08,035	6.68%
8	Customer 8	-	-	-	-	1,21,59,389	6.88%
9	Customer 9	1,36,07,000	2.80%	-	-	-	-
10	Customer 10	1,32,48,100	2.72%	1,09,37,240	2.66%	-	-
11	Customer 11	1,07,80,000	2.21%	1,08,14,750	2.63%	-	-
12	Customer 12	77,82,600	1.60%	2,56,48,000	6.23%	23,04,000	1.30%
13	Customer 13	-	-	-	-	22,62,240	1.28%
	<b>Total</b>	<b>47,13,08,434</b>	<b>96.83%</b>	<b>39,49,25,106</b>	<b>95.90%</b>	<b>16,89,06,012</b>	<b>95.52%</b>

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\* For further details, kindly refer to the section; "Raw Material" mentioned above.

## **The following steps define the chain of events in case of a new project/ customer order:**

### **Enquiry from Customer:**

As a Specialty Chemical Company, the process typically begins with receiving inquiries from customers regarding specific chemical products tailored to their requirements. These inquiries could range from custom formulations to existing product offerings. If we have Stock in our store which is readily available for suitable customer, then we directly dispatch to them from our warehouse.

### **Raw Material Availability Check:**

If specific stock is not readily available to dispatch to customer, then the next step involves checking the availability of raw materials required to manufacture the requested Chemical Product. This involves assessing inventory levels, lead times for procurement, and ensuring that the necessary materials are in stock or can be sourced in a timely manner.

### **Purchase Requisition:**

Once the raw material availability is confirmed, a purchase requisition is generated to procure the required materials. This involves communicating with suppliers, negotiating prices, and placing orders to ensure a steady supply chain.

### **Raw Material Receipt in Stores:**

Upon delivery, the raw materials are received in the stores department, where they undergo inspection for quality and quantity by our in-house Research and Development team. This step is crucial to ensure that only high-quality materials are used in the manufacturing process, adhering to strict quality standards.

### **Production:**

With the necessary raw materials in stock, the production process begins. This involves carefully following formulation recipes, mixing chemicals, and adhering to precise manufacturing protocols to produce the desired chemical product. Quality control measures are integrated throughout the production process to maintain product consistency and integrity.

### **Testing (QA and QC Department) and Packing:**

After production, the finished chemical products undergo rigorous testing in the quality assurance (QA) and quality control (QC) departments. This involves conducting various tests to assess product quality, purity, stability, and safety parameters. Once the products pass quality testing, they are packed according to customer specifications, ensuring proper labeling and packaging to meet regulatory requirements.

### **Stores Department and Dispatch to Customer:**

The packed products are then transferred to the stores department for final inventory management. Upon receiving customer orders, the products are picked, packed, and dispatched for delivery. This involves coordinating with logistics partners to ensure timely and efficient delivery to customers while maintaining product integrity throughout the supply chain.

Overall, the business model of a specialty chemical company revolves around delivering high-quality, customized chemical solutions to meet customer needs while maintaining stringent quality control measures and ensuring efficient supply chain management from raw material procurement to product dispatch.

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## OUR MANUFACTURING FACILITY

### OUR FACTORY



### OUR FACTORY



## BUSINESS STRATEGY

*Expand our existing product portfolio.*

We have, since our inception, consistently sought to diversify our portfolio of products which could cater to customers across segments, sectors, and geographies. In accordance with this, while we seek to continue to strengthen our existing product portfolio, we intend to further diversify into products with prospects for increased growth and profitability. We plan to continue to increase offerings in our current business segments as well as diversify into new products by tapping into segments which in the view of our management have attractive growth prospects. For instance, we intend to increase our focus on products manufactured using continuous flow chemistry as these will be more sustainable and are good value propositions.

In addition, given the increasing number of environment conservation initiatives being undertaken by governments across the world, we believe that the demand for automotive emission control mechanisms are going to grow. Further, we believe that since the requirements of the various sectors that our existing customers are currently servicing are continuously evolving, as a consequence of the same, there will be a continuous demand to evolve our existing products and expand our product portfolio to meet these requirements. We believe that our emphasis on quality of manufacture and timely delivery of our offerings have been a key factor in our ability to attract new customers and to retain our existing customers. We intend to draw on our experience, market position and ability to timely deliver quality products to successfully foray into other sectors as well as to other geographies.

***Expand our existing manufacturing capacities to capitalise on industry opportunities.***

We have, over the years, consistently grown our manufacturing and production capabilities. We seek to capitalize on the growth opportunities in the specialty chemicals industry based on our well positioned operations and being led by an experienced management team. Our Company's aggregate manufacturing capacity has doubled from 2,400 MT in the financial year 2021-22 to 4,800 MT per annum\* in the financial year 2022-23 and 3,600 MT per annum for the period ended December 31, 2023. Consistent with past practice, we will look to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. We believe our expansion plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply growing markets more efficiently and drive profitability.

*\*As certified by M.L. Kendre & Associates, Chartered Engineer, by way of their certificate dated February 07, 2024.*

***Increasing Operational efficiency.***

We will continue to invest in increasing our operational efficiency throughout the organization. Higher operational effectiveness results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over a higher number of units sold, thereby increasing profit margins. We further intend to continue and invest in our in-house technical capabilities to develop customized systems and processes and ensure effective management control over our critical resources for optimal utilization.

***Continue to focus on contract manufacturing / exclusive manufacturing by developing innovative processes and value engineering.***

We seek to continue to explore opportunities to enhance our existing customer relationships by undertaking customer relationship and manufacturing services for new molecules. We believe our focus on value engineering by extending our process and chemistry expertise to enter into new value chains and replace the lower value products with higher value products in the same chemistry will enable us to service more of our customers' needs and increase our revenues from existing customers. By leveraging the long-standing relationships and repeat orders from our customers, we intend to capitalize on the significant cross-selling opportunities that higher value products offer. Further, we intend to focus on early-stage process innovation and development that we believe will enable us to capitalize on the complete lifecycle of these products and give us the opportunity to be the initial suppliers for such customized speciality chemicals and strengthen our relationships with multinational corporations.

***Continue to focus on innovation and grow our business across customer segments.***

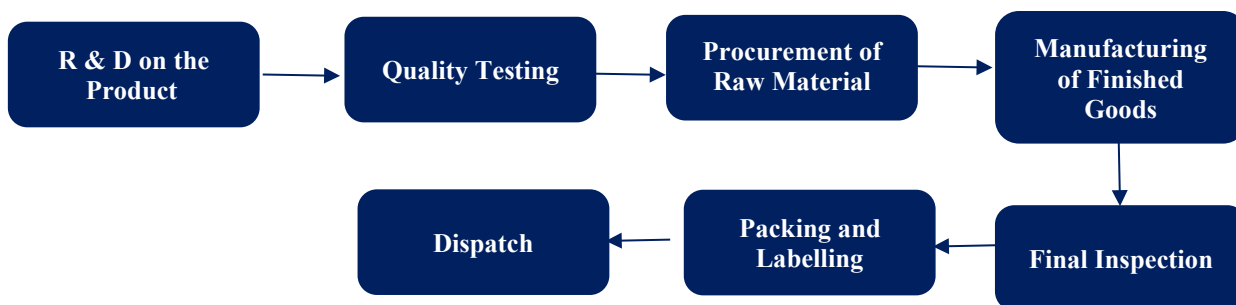
As a manufacturer of specialty chemicals, we understand that performance and functionality of our products are the primary drivers for their success with our customers. Accordingly, we seek to continue to focus on our ability to customize our products according to the specific requirements of our customers through innovation including creation of new molecules and focusing on sustainable solutions. We continuously seek to improve on our products to make them more effective for our customers and their applications and processes. We aim to innovate, manufacture and supply specialty chemicals which will make the processes followed by our customers more efficient, environmentally more sustainable as well as more cost efficient. We also seek to improve our agility and flexibility in offering customized products to our customers at short notice which we believe will be a differentiator among the companies engaged in manufacturing specialty chemicals in

near future. Towards that we have customer service and support to all our customers and each of our customers has been tagged individually to an executive of our Company. We want to continue to focus on such dedicated consultative processes between our customers and our Company as that helps us to understand the processes followed by our customers and their specific application requirements better and we are able to provide them specific solutions at the earliest. We want to continue to promote and strengthen our formulation and application expertise which is led by our technical R&D team. We also seek to grow our business across diverse customer segments by focusing on innovation and customization of our solutions. We believe that our ability to customize our products for the various applications of our customers at a short notice can help us diversify our operations across different customer segments.

## SWOT

Strength	Weakness
<ul style="list-style-type: none"> <li>➤ Promoter have strong experience with sales and distribution through group company of more than 10 year in domestic and international market.</li> <li>➤ Strong growth in emerging market business.</li> <li>➤ Company will have a Diversified Product Portfolio.</li> <li>➤ Focus on Strategy.</li> <li>➤ Strong marketing &amp; sales force.</li> <li>➤ Expertise in Specialty Chemicals.</li> <li>➤ Small Scale / Bulk Scale Manufacturing.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fluctuations in pricing due to its reliance on crude oil prices.</li> <li>➤ <b>Low Market Penetration in New Markets:</b> To penetrate international markets outside of the home country i.e. India the Company has to spend more on promotional, marketing and advertising efforts.</li> <li>➤ Uncertain demands from product baskets leading to higher inventory cost and interest cost.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>➤ Increase in Market Value.</li> <li>➤ Strong Process &amp; Chemistry Skills.</li> <li>➤ Widely untapped export market.</li> <li>➤ Company can utilize its maximum capacity</li> </ul>	<ul style="list-style-type: none"> <li>➤ High Prices.</li> <li>➤ Tough Competition at Global level.</li> <li>➤ Regulatory challenges / Government policies and tax procedures can have an impact on the margins.</li> </ul>

## PROCESS FOR FINISH GOODS



Akin to our business model, our Research & Development Department wherein the product is developed, standardized and commercialized capacity which later goes through various Quality testing with our Quality Assurance and Quality Control Department. Initially the product to be developed based on the reactions we can do in our facility is theoretically formulated on paper, desired raw materials are identified and procured through procurement department and then development trials are conducted in the laboratory in glass set-up and then Autoclave set-up based on progress of the development. Development may happen over 4-5 trials or may take 50 trials depending on the complexity of the product. Once the product is developed as per desired specifications, the Research and Development will finalize a Standard Operating Procedure and internal testing specifications for the raw materials, in-process and finished product for this development product.

The process of QA and QC is undertaken at various stages of the production in order to maintain the standard of the product. The production department will take batches depending upon the production plan and will ensure that all products are produced as per the Standard Operating procedure for the individual product. During production also there will be an in-process sample sent to Quality Control to test as per specifications. The finished product is sent to the QA and QC Department and only after the receipt of approval, the product is unloaded and handed over to stores department for packing and labelling of the product.

Finally, the Stores department moves all produced material to storage and based on dispatch requirements following inputs from Sales the material is dispatched to the major transport hubs such as Bhiwandi, Kalamboli, Vashi and material dropped off to customer designated transporter warehouses.



## CAPACITY AND CAPACITY UTILIZATION

### Details of Capacity of Manufacturing Unit

Capacity	April 2023- December 2023	FY 2022-23	FY 2021-22	FY 2020-21
Installed (In MT/ Annum)	3,600	4,800	2400	-
Utilized (In MT/ Annum)	1,636	2,176	943.72	-
% of Utilization	68%	45%	40%	-

*\*As certified by M.L. Kendre & Associates, Chartered Engineer, by way of their certificate dated February 07, 2024.*

## INFRASTRUCTURE & UTILITY

### POWER

Our manufacturing process requires uninterrupted supply of Electric & Power for our manufacturing facility. We consume a substantial amount of power and fuel for our business operations. Our power requirements are met through Maharashtra's State Electricity Distribution Co. Ltd. Board (MSEB). To meet exigencies in case of power failure, we have also installed D.G. sets at our manufacturing unit.

### WATER

Water is required for drinking, sanitary purposes as well as for industrial purpose and the Company have agreement with MIDC for adequate water supply at the existing premises. The Company has a water requirement for Manufacturing process every day and same is provided by MIDC.

### LOCATION

<b>Registered Office:</b>	Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai-400 018, Maharashtra, India.
<b>Factory Unit:</b>	Plot no. E-10 Lote, Parashuram Industrial Zone MIDC, Khed, Ratnagiri 415 722, Maharashtra, India.
<b>Warehouse 1:</b>	Warehouse No.3, Bldg No. 504/1, Karwar Spring Compund, Survey No.60/1, Near Nisarg Restaurant, Mumbai Pune Highway, Deravali Village, Near Kon Gaon Panvel 410 221, Raigad, Maharashtra, India.
<b>Warehouse 2:</b>	P-28, Unnamed Road, Maharashtra State Warehousing Corporation Warehouse, Lote Parshuram MIDC, Lote Parshuram MIDC, Ratnagiri 415 722, Maharashtra, India.

*For further details, kindly refer to the section; "Our Properties" mentioned below.*

## HUMAN RESOURCE

Human resource is an asset to any industry, sourcing and managing. We believe that a motivated and empowered employee base is the key to our operations and business strategy. We have developed a large pool of skilled and experienced personnel. Currently, we have **34** full time employees including Key Managerial Personal as on December 31, 2023. Our manpower is a prudent mix of the experienced and young people which gives us the dual advantage of stability and growth, whereas execution of services within time and quality. Our skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

S. No.	Particular	Employees
1.	Management includes Key Managerial Personal	03
2.	Production Department	10
3.	QA & QC Lab Department	07
4.	Store Department	02
5.	Maintenance Department	08
6.	Administration Department	03
<b>Total</b>		<b>34</b>

*\*It is to be noted that the QA & QC Lab Department is the same as Research & Development Department.*

In addition, we contract with third party manpower and services firm for supply of contract labour for certain services at our manufacturing facility. The number of contract labourers varies from time to time based on the nature and extent of work contracted to independent contractors.

## PLANT & MACHINERY

Our manufacturing unit have been setup by using the machineries and components which have been bought from reliable sources in the country as well as abroad. All the suppliers have been selected by the company on the basis of their past experience and competitive prices.

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

Sr. No.	Particulars	Features
1.	Boiler	Provides a heating medium for low temperature reaction by circulation of steam
2.	Thermopack	Provides a heating medium for high temperature reaction by circulation of Thermic Fluid
3.	Thermic Fluid	Heating medium for Thermopack circulation for high temperature heating
4.	Stainless Steel and Mild Steel Storage tanks	Storage of raw materials and finished products
5.	Cooling towers	For providing cooling for reaction through circulation of cold water
6.	Distillation assembly	Distillation for certain products to remove impurities
7.	High-Pressure Stainless-Steel Reactors and Assembly	For carrying out the chemical reactions wherein raw materials react to form finished product
8.	Addition Vessels	For melting and measuring raw materials for reaction addition wherein molten product required
9.	Condensers	For condensation of process vapours
10.	Receivers	for collection of condensates from confessors
11.	Digital Weighing Scales	for weighment of raw materials and finished product
12.	Pp Filter Press	filtration of certain finished products
13.	Sparkler Filter	filtration of certain finished products
14.	Mild Steel Beam	structure for Distillation assembly, High-Pressure Stainless-Steel Reactors and assembly, Addition vessels, Condensers, Receivers
15.	Mild Steel Channel	structure for Distillation assembly, High-Pressure Stainless-Steel Reactors and assembly, Addition vessels, Condensers, Receivers
16.	Mild Steel Plate	structure for Distillation assembly, High-Pressure Stainless-Steel Reactors and assembly, Addition vessels, Condensers, Receivers
17.	Mild Steel Chequered Plate	structure for Distillation assembly, High-Pressure Stainless-Steel Reactors and assembly, Addition vessels, Condensers, Receivers
18.	Reaction Vessels	for formulating of formulated products
19.	Air Compressor	vaccum for charging / process vaccum
20.	Flaker	flaking of flake from finished products
21.	Chilling Plant	chilling of product for flaking
22.	Nitrogen Tanks	storage for nitrogen used for reactions
23.	Heat Exchanger	cooling of in process material
24.	Pressure Reactors	for high pressure reaction
25.	High Vaccum Systems	providing vaccum for reaction medium and product charging
26.	Water Softners	softening of water for steam and cooling towers
27.	Circulation Pumps	circulation of heating / cooling medium
28.	Process Pumps	pumping of material to and from storage
29.	Transformer	Electrical transformer plant
30.	Electrical APFC Panels	Electrical panels for plant
31.	LT Networking	Electrification of plant
32.	Dg Set	generator for back-up power
33.	Hvac System	for air control for product unloading
34.	Process And Utility Piping	for circulation of heating, cooling medium and material
35.	Insulation,	insulation of reactors, machinery, piping etc for reduction of heat loss
36.	Fire Hydrant	fire equipment

Sr. No.	Particulars	Features
37.	Sprinkler	fire equipment
38.	Safety Equipment	fire equipment
39.	Electronic Gauges	various process gauges
40.	Effluent Treatment Plant	processing of effluent to treat it primary and secondary for onward processing at MIDC common effluent treatment plant
41.	Chimneys	stack for boiler and thermopack
42.	Laboratory Equipment	Quality Control testing of parameters for specifications
43.	Process And Utility Valves	for flow open and closing across all piping, circulation, utilities

## COLLABORATIONS/ TIE-UPS/JOINT VENTURES

Except as disclosed in this Red Herring Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Red Herring Prospectus.

## RESEARCH AND DEVELOPMENT FACILITY

As a specialty chemical manufacturing company, we are driven by technical innovation in formulations and applications of our products. Our R&D efforts are driven by customer needs, in terms of meeting specific needs that our direct customers communicate to us prior to us manufacturing our products. As a specialty chemical manufacturing company, we continuously monitor industry trends so as to ensure that our products continue to remain relevant and help our customers meet the evolving market demands.

Our qualified and experienced in-house R&D team focuses on the development of new products and formulations including collaborative product development with our customers to customize our products in line with customer expectations and end-user preferences, whilst simultaneously ensuring shorter lead-times and cost competitiveness. Our R&D Department situated at our Lote MIDC Factory wherein the product is developed, standardized and commercialized capacity which later goes through various Quality testing by our QA & QC team. Here the products undergo a transformative journey encompassing development, standardization, and commercialization. Leveraging advanced machinery, the chemical processes employed are diverse and sophisticated. These processes include Esterification and Transesterification, Sulphation and Sulphitisation, Quaternisation, Phosphorylation, Emulsification, Imidazoline formation, Wax Emulsion, Amphoterics, Esterquat synthesis, Polyamide creation, Polymerized surfactants, Amides & Imidazolines production, Poly-quaternary ammonium compounds synthesis, Polymerization, and the formulation of specialized products. The Research and Development Department serves as the nucleus for pushing the boundaries of chemical processes, ensuring that our products not only meet but exceed industry standards, leading to innovative solutions that cater to diverse market needs.

## COMPETITION

Even in a competitive market landscape where competition arises from both organized and diverse regional or national players, the company's consistent growth is attributed to a well-structured operational framework. Over the years, the company has amassed substantial experience in executing contracts, enabling the provision of high-quality services promptly, meeting customer demands efficiently. While facing competition from various players, the company has honed its expertise and remains a strong contender in the market.

## CUSTOMERS, SALES AND MARKETING

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

## INVENTORY MANAGEMENT

Our finished products and raw materials are mainly stored our manufacturing facility, our warehouses at Lote MIDC and Panvel. Our products after clearing the Quality control checks are stored at these facilities and based on dispatch requirements following inputs from Sales the material is dispatched to the major transport hubs such as Bhiwandi, Kalamboli, Vashi in Maharashtra and material dropped off to customer designated transporter warehouses. In some cases, according to customer demand we hold strategic stock, so our lead times can be reduced. These are in most cases according

to a stocking policy with customers, but in some instances, these are pro-active steps taken by the organisation to ensure better supply chain management.

Our minimum stock level for raw materials, packaging material and finished goods is maintained based on input from sales and lead time of raw materials and production lead time. We also analyze estimated lead time, delivery schedule, nature and speed of transport (e.g. fast mover or slow mover) while managing our inventory level at our manufacturing facilities and ware houses.

## **INFORMATION TECHNOLOGY**

We believe that an appropriate information technology infrastructure is important in order to support the growth of our business. Our manufacturing facility is connected to our central IT network that facilitates monitoring of our operations and management of supply chain. Our IT infrastructure enables us to track procurement of raw materials, sale of finished goods, payments to vendors and receivables from customers.

## **REPAIR AND MAINTENANCE**

We conduct periodic repair and maintenance programs for our manufacturing facility. Our machinery and electrical repair teams carry out periodic maintenance and repair of the plants and machinery on an as-needed basis. In addition, our manufacturing facility is periodically inspected by our technicians.

## **QUALITY CONTROL AND ASSURANCE**

We operate at a high environmental, health, safety and quality standards in our operations. The Company got ISO Certified in the year 2021 as ISO 9001:2015. To ensure that our products adhere to the quality standards, we employ a stringent set of tests at every step of product development and the supply chain. In-process quality control is employed by implementing critical control points in various manufacturing SOPs. In addition, each production process and log sheet is audited frequently to ensure it is being followed. Once manufactured, the products are tested on physical and chemical characteristics to ensure they meet the required specifications. They are also tested for microbial content to ensure no contamination occurs in the relevant products. After every batch the vessel is also subjected to a stringent high-pressure cleaning followed by chemical testing to ensure that no cross-contamination occurs between batches. Apart from the product, we also test packing material for drop strength, compression strength and leakage to ensure their integrity during storage and transit.

We have a dedicated in-house team of professionals at Lote Manufacturing Facility who ensure Quality Control and Quality Assurance of the Chemical products.

## **LOGISTICS**

Once any raw material is ordered by production team, the suppliers either deliver goods directly to Manufacturing factory or our designated transporter collects the material from transportation hubs such as Bhiwandi, Kalamboli or Vashi in Maharashtra and deliver the same to the factory. In case of Finished goods, the product is dispatched to transportation hubs as mentioned earlier and is then picked up by the designated transportation team of the customer. We do not provide direct supply of products to our customer instead the product is picked up by them through their designated transporter from our warehouses or the aforementioned transportation hubs.

## **ENVIRONMENT, HEALTH & SAFETY AND WASTE MANAGEMENT**

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes and employee health and employee safety. For further information, see “*Key Industry Regulations*” beginning on page no. 132 of this Red Herring Prospectus.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further information, see “*Government and Other Approvals*” beginning on page no. 224 of this Red Herring Prospectus.

The waste generation of the facility is restricted to water generated during the washing of reactors as the facility has batch process system and after every product change the reactors have to be washed. The washing effluent generated is collected at the Effluent treatment facility within the factory through internal drains and chambers. After collection, the effluent

water is treated to levels as per MPCB norms which include primary, secondary, and tertiary treatment after which the water is sent by pipelines installed by MIDC in the industrial facility to the common effluent treatment plant of the MIDC for final treatment.

## DETAILS OF PROPERTIES

### Intellectual Property.

The details of intellectual property are as under:

Sr. No	Brand Name/Logo Trademark	Class	Application / Registration Number	Ownership and Acquisition details	Date of Application	Authority	Current Status
1.	 Indian Emulsifiers Ltd.	1	6283288	Indian Emulsifiers Ltd.	February 01, 2024.	Registrar of Trademarks, Mumbai.	Applied
2	 Indian Emulsifiers Ltd.	35	6283291	Indian Emulsifiers Ltd.	February 01, 2024.	Registrar of Trademarks, Mumbai.	Applied

### Immovable Property.

Details of our properties are as follows:

#### Properties Owned/Leased by the company:

Sr. No.	Details of Properties	Licensor/Lessor / Vendor	Owned/Leased/ License	Consideration / Lease Rental / License Fees (in ₹)	Usage	Tenure
1.	Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India.	Peddington Lubricants & Coatings Private Limited <sup>(1)</sup>	Leave and Licenses	1. June 15, 2023 to June 14, 2024- ₹1,35,000/- 2. June 15, 2024 to June 14, 2025- ₹1,45,000/- 3. June 15, 2025 to June 14, 2026- ₹1,55,000/-	Registered Office	For a period of 36 months expiring on June 14, 2026.
2.	E-10 Lote, Parashuram Industrial Zone Midc, Khed, Ratnagiri- 415 722, Maharashtra, India.	Duchem Specialties India Private Limited	Owned	₹5,00,00,000/-	Manufacturing Factory	-
3.	Warehouse No.3, Bldg No. 504/1, Karwar Spring Compund, Survey No.60/1, Near Nisarg Restaurant, Mumbai Pune Highway, Deravali Village, Near Kon Gaon Panvel-410 221, Raigad, Maharashtra, India.	Rajesh Sudhakar Shetiya & Sachin Sudhakar Shetiya <sup>(2)</sup>	Leave and Licenses	1. First 12 months- ₹1,25,000/- 2. Next 12 months- ₹1,30,000/- 3. Next 12 months- ₹1,35,000/-	Warehouse 1	For a period of 36 months expiring on December 31, 2026.
4.	Plot no. -28, Lote Parshuram MIDC,	Aditya Civil Construction	Leased	₹40,000/- p.m.	Warehouse 2	25/04/2023 to

Sr. No.	Details of Properties	Licensor/Lessor / Vendor	Owned/Leased/ License	Consideration / Lease Rental / License Fees (in ₹)	Usage	Tenure
	Ratnagiri 415 722, Maharashtra, India.					24/04/2024

Note: -

1. The Leave and License agreement has been entered between Peddington Lubricants & Coatings PVT LTD (Licensor) and Chemical Brother Enterprise PVT LTD (Licensee) one of our group Companies. The Company is authorized to use these premises in terms of clause 21 of the lease agreement and NOC dated January 09, 2024. As whole of the rent is being paid by the Licensee, the details of consideration have been kept blank.
2. The Leave and License agreement has been entered between Rajesh Sudhakar Shetiya & Sachin Sudhakar Shetiya (Licensor) and Chemical Brother Enterprise PVT LTD (Licensee). one of our group Companies. The Company is authorized to use these premises in terms of clause 13 of the lease agreement. As whole of the rent is being paid by the Licensee, the details of consideration have been kept blank.

### COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

Our Company has not entered into any collaboration, or Performance guarantee or assistance for marketing with any Company.

### INSURANCE

We maintain a range of insurance policies to cover our assets, risks and liabilities. Substantially all of our insurance policies related to our registered office, our movable and immovable properties provide appropriate coverage in relation to fire, explosions, floods, inundations, earthquakes, landslides. We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.

Sr. No	Name of the Insurance Company	Validity Period	Policy No.	Sum Insured (₹ in Lakhs)	Description of cover under the policy
1.	United India Insurance Company Limited	From: 01-01-2024 To: 31-12-2024	1613091123P112649673	3,160.00/-	Building, Plant & Machinery, Furniture and Fixtures and Others.

### DOMAIN NAME

For further details, please see the chapter titled "Government and Other Approvals" beginning on page no. 224 of this Red Herring Prospectus.

#### Domain Name

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://indianemulsifiers.com/">https://indianemulsifiers.com/</a>	2583000019_DOMAIN_COM-VRSN	PDR Ltd. d/b/a PublicDomainRegistry.com	January 06, 2021.	January 06, 2025.

## KEY INDUSTRY REGULATIONS

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” beginning on page no. 224 of this Red Herring Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

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

### SEBI REGULATIONS

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by the SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 31<sup>st</sup> October of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the central and state governments on goods as services. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination-based taxation principle in addition to the Customs Duty which has not been subsumed in the GST.

#### Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer

Exporter Code) in terms of provisions of the Foreign Trade Development and Regulation Act, 1992. Imported goods in India attract basic customs duty, additional customs duty and cesses in terms of the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and the relevant provisions made thereunder. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the assessable value of the goods. Customs duties are administered by Central Board of Indirect Taxes and Customs under the Ministry of Finance.

### **State Tax on Profession, Trades, Callings and Employment Rules, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional tax is classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner.

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

### **Food Safety and Standards (Labelling and Display) Regulations 2020**

The Food Safety and Standards Authority of India (FSSAI) has come up with the new Food Safety and Standards (Labelling and Display) Regulations, 2020. The new regulations emphasize on enabling consumers to make informed choices about their food purchases not only in the sphere of packaged food products but also on purchases from restaurants and ecommerce platforms. The new regime is set to be implemented from December 2021 except for a few provisions which are expected to be implemented a month later i.e. from January 2022. These regulations mandates several disclosures to be made on the packaging of the food items including display of certain information in a given manner for products sold on the e-commerce website.

### **Food Safety and Standards (Packaging) Regulations 2018**

These regulations have been enacted to regulate the quality of packing materials being used for the packaging of food and food grade items. These regulations specifies the safety criteria to be used in the packaging of food items and aims to ensure that the packing material used for packaging of food and food grade items are safe for consumption and that the material used is able to withstand mechanical, chemical or thermal stresses encountered during normal transportation and specifies various packaging norms.

### **The Essential Commodities Act, 1955 (“EC Act”)**

The EC Act provides for the regulation and control of production, supply, distribution and pricing of commodities which are declared as essential, for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices. Under Section 3 of the EC Act, if the Government of India, in the interest of maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices, it may, by order, provide for regulating or prohibiting the production, supply and distribution thereof and trade and commerce therein. Such orders may provide for, among other things, controlling the price at which essential commodities are sold, requiring any person producing an essential commodity to sell the whole or a part of the produce and so on. Violation of the terms of these orders is punishable under Section 7 of the EC Act. Further, the Schedule of the EC Act provides for a list of essential commodities, including but not limited to drugs, fertilizers (whether inorganic, organic or mixed, foodstuffs and petroleum. Under Section 2A of the EC Act, the Government If India may add or remove any commodity from the Schedule.

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

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

### **The Explosives Act, 1884 (“Explosives Act”)**



The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of ‘explosives’ under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

### **Drugs and Cosmetics Act, 1940 (“DCA”) and the Drugs and Cosmetics Rules, 1945 (“DCA Rules”)**

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

### **Drugs (Prices Control) Order, 2013 (“DPCO”)**

The DPCO prescribes inter alia the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. Under the DPCO, the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency. The DPCO specifies procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, and penalties for contravention of its provisions.

### **The Bureau of Indian Standards Act, 2016 (“BIS Act”) and Bureau of Indian Standards Rules, 2018 and amendments thereto**

The BIS Act and rules made thereunder, establishes, publishes and regulates national standards to ensure conformity assessment, standardization, and quality assurance of goods, articles, processes, systems and services. The BIS Act empowers the Bureau of Indian Standards to inspect and monitor the quality of goods and materials to ensure conformity with the BIS Act. In furtherance of such powers, the officials may inspect the premises for evaluating a manufacturer’s compliance with use of standard marks. The BIS Act also enables the central government to appoint any authority to verify the conformity of products and services to a standard and issue certificate of conformity. Further, the BIS Act sets out inter alia, liability for use of standard mark on products that do not conform to the relevant Indian Standard. Under the BIS Act, such products may be recalled from the market.

### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009, as amended (the “Metrology Act”), was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

### **Standards of Weights and Measures Act, 1976**

The Standards of Weights and Measures Act, 1976 (the “Act”) was enacted to regulate trade or commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and to provide for such matters as may be connected thereto. The Act enumerates the specific base units to measure goods and products. Any offence under this Act is punishable with imprisonment or fine or with both based on the type of violation.

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

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

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

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

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

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through Consolidated FDI Policy Circular/Press Notes/Press Releases which are notified by the Department of Economic Affairs (DEA), Ministry of Finance, Government of India as amendments to the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 under the Foreign Exchange Management Act, 1999 (42 of 1999) (FEMA). DPIIT has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until an updated circular is issued.

The reporting requirements for any investment in India by a person resident outside India under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are specified by the RBI. Regulation 4 of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 vide notification No. FEMA. 395/2019-RB dated 17.10.2019 issued by the RBI stipulates the reporting requirement for any investment in India by a person resident outside India. All the reporting is required to be done through the Single Master Form (SMF) available on the Foreign Investment Reporting and Management System (FIRMS) platform at <https://firms.rbi.org.in>.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations.

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

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIF and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 for regulation on exports of goods and services.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case

an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities is governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **Foreign Trade Policy 2023:**

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

## **LAWS RELATED TO ENVIRONMENTAL LAWS**

### **National Environmental Policy, 2006**

The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource.

### **Environment (Protection) Act, 1986 as amended (“EPA”)**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment.

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

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

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

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” inter alia means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization has been relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling

and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **The Noise Pollution (Regulation and Control) Rules, 2000**

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

### **The Public Liability Insurance Act, 1991 (the “PLI Act”) and the Public Liability Insurance Rules, 1991(the “PLI Rules”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the PLI Act, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act also provides for the establishment of the Environmental Relief Fund, which shall be utilized towards payment of relief granted under the Public Liability Act. The PLI Rules mandate the employer to contribute a sum equal to the premium paid on the insurance policies towards the Environmental Relief Fund.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

### **The Patents Act, 1970:**

The Patents Act, 1970 as amended from time to time, in India has been enacted to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

### **Code on Wages, 2019**

The Code on Wages, 2019 regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. Only few sections of the Code has yet been notified vide notification no. S.O. 4604(E) dated December 18, 2020.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

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

The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

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

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing 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, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

\*The Code on Wages, 2019, The Code on Social Security, 2020, (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the "ESIC Act")**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are

employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

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

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Public Liability Insurance Act, 1991 (“PLI Act”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressa“) Act, 2”13 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946
- Apprentice Act, 1961 read with The National Policy of Skill Development and Entrepreneurship 2015,

## **OTHER GENERAL REGULATIONS**

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **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 license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Approvals from Local Authorities**

Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

**Other regulations:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

**PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

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## HISTORY AND CORPORATE STRUCTURE

### COMPANY'S BACKGROUND

Our Company was originally incorporated as Private Limited, under the Companies Act, 2013 (“**Companies Act**”) in the name and style of “*Indian Emulsifier Private Limited*” on December 05, 2020 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Later on, company was converted into public limited company, the name of our Company was changed to “Indian Emulsifier Limited” and fresh Certificate of Incorporation dated January 05, 2024 was issued by the Registrar of Companies, Mumbai, Maharashtra.

Our Promoter Yash Tikekar laid down the foundation of our company in the year 2020 as a Private Limited in the name of “*Indian Emulsifier Private Limited*” with a vision to become a pioneer specialty chemicals manufacturer with a focus on tailor-made solutions to meet customers’ diverse requirements, as we believe that Chemistry Drives Performance.

The Company was incorporated with the objective of Manufacturing and Supplying of Specialty Chemicals i.e., Esters, Amphoterics, Phosphate Esters, Imidazolines, Wax Emulsions, SMO & PIBSA Emulsifiers. The Company has its manufacturing plant at Plot No. E-10 MIDC, Lote Parshuram, Tal. Khed, Ratnagiri 415 722, Maharashtra, India since inception. The facility has a production capacity of 4,800 metric tons per annum as on March 31, 2023 and 3,600 MT per annum for the period ended December 31, 2023\*, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. and its Registered office at Shop 206, Floor 2, Sumer Kendra, Shivram Seth, Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India. The Company was formed with a vision to become a pioneer specialty chemicals manufacturer.

The Company got ISO Certified in the year 2021 as ISO 9001:2015. We are manufacturing the Specialty chemicals industry, with a focus on Esters, Phosphate Esters, Imidazolines, Succinimides, Sulfosuccinates, Specialty Emulsifiers and formulated products. Our Company serve specialty chemicals to wide range of industries such as Mining, Textile, Cleaning Industry, PVC (Poly Vinyl Chloride)/ Rubber, Personal Care, Food and Other Industries.

The manufacturing facility has a production capacity of 4,800 metric tons per annum the capacity has been increased from 2400 MT per annum to 4,800 MT per annum due to additional Reactors installed, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. Operations at the facility are managed by an able and motivated team of highly qualified technical personnel, having expertise in their individual fields. Multipurpose facility designed to have a high degree of flexibility to meet customer needs. Multiple high-pressure stainless-steel reactors equipped to deliver yields from 100 Kg to 8,000 kg per batch providing high level of flexibility. The facility can carry out reactions at temperatures ranging from 10 C to 250 C and pressure 5 kg to 8kg/cm, the reactors are equipped with condenser, vacuum arrangement and receiver and high speed stirred reactor.

For further details of our Promoter please refer the chapter titled “*Our Promoter and Promoter Group*” beginning on page no. 161 of this Red Herring Prospectus.

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 chapter titled “*Business Overview*”, “*Industry Overview*”, “*Our Management*”, “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page no. 113, 104, 146, 169 and 209 respectively of this Red Herring Prospectus.

Our Company has 185 (One Hundred and Eighty-Five) Shareholders as on the date of filing of this Red Herring Prospectus.

### REGISTERED OFFICE

Registered Office of the Company is presently situated at Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India. Prior to this, no changes were made in the location of our Registered Office.

For further details of Registered Office and Properties details of the Company please refer the chapter titled “*Business Overview*” beginning on page no. 113 of this Red Herring Prospectus.

### MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main object of our Company is:



1. To carry on the business as manufacturers, traders, distributors in all kinds of chemicals and allied industries.
2. To carry on in India and in any part of the world the business as manufacturers, buyers, sellers, dealers, merchants, importers, exporters, stockists, agents, brokers, factors, converters, processors, producers, refiners, formulators, or of distributing, exchanging, altering, improving, mixing, producing, processing, manufacturing, formulating, acquiring, storing, refining, packing, transporting, distributing, selling, marketing, importing, exporting, disposing, using or otherwise handling or dealing in organic and inorganic chemicals, fluoro chemicals, fine and speciality chemicals, acids, alkalies, agrochemicals, laboratory chemicals, nitrates, fluorides, sulphates, sulphur, sulphur salts, carbon black, caustic soda, soda ash and all kinds of industrial chemicals, heavy chemicals including bio-chemicals, insecticides, pesticides, fungicides, weedicides, rodenticides, germicides and other agrochemicals, disinfectants, fumigants, public health products and fine chemicals, industrial chemicals, leather chemicals, petrochemicals and natural and chemical fertilizers, including ammonia, urea, textiles auxiliary, dyes, colours, textile intermediaries and dye-stuffs, colours, paints, pigments, tanning agents, acids, varnishes, oils, plastics, methanol, melamine and derivatives thereof whether liquid, solid or gaseous and including specifically benzene, ethylene propylene, propane, ethane, butenes, butadiene, isoprene, oxides, glycols and polyglycols of ethylene, propylene and butylene, chlorinated hydrocarbons, aliphatic and aromatic alcohols, aldehydes, ketones, aromatic acid, anhydrides, vinyl acetate, vinyl chloride acrylics, esters of ortho, meta and terphthalic acids, synthetic chemicals, acids, alkalies and compound ingredients, mixtures and derivatives, synthetic resins, plasticizers, cosmetics, powders, creams, preparation of the teeth, toilet requisites, detergents, surface active agents, cleaning agents and soaps.

#### **AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION**

The following changes have been made in the Memorandum of Association of our Company since incorporation:

<b>Date of the Meeting</b>	<b>Meeting</b>	<b>Nature of Amendment</b>
August 10, 2021	EGM	<p><b><u>Increased in Authorised Capital</u></b></p> <p>The Authorized Share Capital was increased from ₹1,00,000/- divided into 10,000 Equity Shares of ₹10/- each to ₹8,10,01,000/- divided into 60,00,000 Equity Shares of ₹10/- and 21,00,100 preference share of ₹10/- each vide Shareholders' Resolution dated August 10, 2021.</p>
October 16, 2023	EGM	<p><b><u>Increased in Authorised Capital</u></b></p> <p>The Authorized Share Capital was increased from ₹8,10,01,000/- divided into 6,00,000 Equity Shares of ₹10/- each and 21,00,100 preference share of ₹10/- each to ₹14,00,00,000/- divided into 81,10,100 Equity Shares of ₹10/- each and 21,00,100 preference share of ₹10/- each vide Shareholders' Resolution dated October 16, 2023.</p>
November 21, 2023	EGM	<p><b><u>Reclassification of Share Capital</u></b></p> <p>The Company reclassified its Authorised Share Capital of ₹14,00,00,000/- that was divided into ₹11,89,99,000/- of 1,18,99,900 Equity Shares of ₹10/- each and ₹2,10,01,000/- of 21,00,100 preference shares of ₹10/- each to ₹14,00,00,000/- divided into 1,40,00,000 Equity shares of ₹10/- each.</p>
November 22, 2023	EGM	<p><b><u>Alteration in Name clause pursuant to Conversion of Company and Addition to Main Object Clause</u></b></p> <p><b><u>A. Alteration of Name Clause pursuant to Conversion of Company.</u></b></p> <p>Change in the name clause from "Indian Emulsifier Private Limited" to "Indian Emulsifier Limited".</p> <p><b><u>B. Addition to Main Object Clause.</u></b></p> <p>Insertion of Clause III (A) of our Memorandum of Association with the following clause:</p> <ol style="list-style-type: none"> <li>1. To carry on the business as manufacturers, traders, distributors in all kinds of chemicals and allied industries.</li> <li>2. To carry on in India and in any part of the world the business as manufacturers,</li> </ol>

Date of the Meeting	Meeting	Nature of Amendment
		buyers, sellers, dealers, merchants, importers, exporters, stockists, agents, brokers, factors, converters, processors, producers, refiners, formulators, or of distributing, exchanging, altering, improving, mixing, producing, processing, manufacturing, formulating, acquiring, storing, refining, packing, transporting, distributing, selling, marketing, importing, exporting, disposing, using or otherwise handling or dealing in organic and inorganic chemicals, fluoro chemicals, fine and speciality chemicals, acids, alkalies, agrochemicals, laboratory chemicals, nitrates, fluorides, sulphates, sulphur, sulphur salts, carbon black, caustic soda, soda ash and all kinds of industrial chemicals, heavy chemicals including bio-chemicals, insecticides, pesticides, fungicides, weedicides, rodenticides, germicides and other agrochemicals, disinfectants, fumigants, public health products and fine chemicals, industrial chemicals, leather chemicals, petrochemicals and natural and chemical fertilizers, including ammonia, urea, textiles auxiliary, dyes, colours, textile intermediaries and dye-stuffs, colours, paints, pigments, tanning agents, acids, varnishes, oils, plastics, methanol, melamine and derivatives thereof whether liquid, solid or gaseous and including specifically benzene, ethylene propylene, propane, ethane, butenes, butadiene, isoprene, oxides, glycols and polyglycols of ethylene, propylene and butylene, chlorinated hydrocarbons, aliphatic and aromatic alcohols, aldehydes, ketones, aromatic acid, anhydrides, vinyl acetate, vinyl chloride acrylics, esters of ortho, meta and terphthalic acids, synthetic chemicals, acids, alkalies and compound ingredients, mixtures and derivatives, synthetic resins, plasticizers, cosmetics, powders, creams, preparation of the teeth, toilet requisites, detergents, surface active agents, cleaning agents and soaps.

#### AUTHORIZED CAPITAL

The following changes have been made in the Authorized Capital of our Company since its inception:

Date of Amendment	Particulars
On Incorporation	The Authorized Share Capital was ₹1,00,000/- divided into 10,000 Equity Shares of ₹10/- each.
August 10, 2021	The Authorized Share Capital was increased from ₹1,00,000/- divided into 10,000 Equity Shares of ₹10/- each to ₹8,10,01,000/- divided into 60,00,000 Equity Shares of ₹10/- and 21,00,100 preference share of ₹10/- each vide Shareholders' Resolution dated August 10, 2021.
October 16, 2023	The Authorized Share Capital was increased from ₹8,10,01,000/- divided into 6,00,000 Equity Shares of ₹10/- each and 21,00,100 preference share of ₹10/- each to ₹14,00,00,000/- divided into 81,10,100 Equity Shares of ₹10/- each and 21,00,100 preference share of ₹10/- each vide Shareholders' Resolution dated October 16, 2023.
November 21, 2023	The Company reclassified its Authorised Share Capital of ₹14,00,00,000/- that was divided into ₹11,89,99,000/- of 1,18,99,900 Equity Shares of ₹10/- each and ₹2,10,01,000/- of 21,00,100 preference shares of ₹10/- each to ₹14,00,00,000/- divided into 1,40,00,000 Equity shares of ₹10/- each.

#### MAJOR EVENTS

There are no major events in the company since its incorporation except as mentioned below.

Year	Key Events/Milestone/ Achievement
2020	Incorporation of our company viz. "M/s Indian Emulsifier Private Limited".
2021	ISO 9001:2015 in accordance with Quality Research Organization.
2024	Conversion of our Company from Private Limited to Public Limited Company.

#### OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled "Business Overview", "Industry Overview" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no. 113, 104 and 209 respectively of this Red Herring Prospectus. For details of our management and managerial competence and

for details of shareholding of our Promoter, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page no. 146 and 67 respectively of this Red Herring Prospectus.

#### **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity and debt, please see the section entitled “*Capital Structure*” and “*Restated Financial Statements*” beginning on page no. 67 and 169 respectively of this Red Herring Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOAN INTO EQUITY**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

#### **SUBSIDIARIES/HOLDINGS OF THE COMPANY**

Our company doesn’t have any subsidiaries and Holding Company for more details about our subsidiary company and other group companies, please see the section entitled “*Our Group Companies*” beginning on page no. 165 of this Red Herring Prospectus.

#### **RAISING OF CAPITAL IN FORM OF EQUITY**

For details of increase in equity capital of our company, please refer section “*Capital Structure*” beginning on page no. 67 of this Red Herring Prospectus.

#### **INJUNCTION AND RESTRAINING ORDER**

Our company is not under any injunction or restraining order, as on date of filing of this Red Herring Prospectus.

#### **MANAGERIAL COMPETENCE**

For managerial Competence, please refer to the section “*Our Management*” beginning on page no. 146 of this Red Herring Prospectus.

#### **MATERIAL ACQUISITIONS/AMALGAMATIONS/MERGERS/REVALUATION OF ASSETS/DIVESTMENT OF BUSINESS/UNDERTAKING IN LAST TEN YEARS**

There has been no Material Acquisitions / Amalgamations / Mergers / Revaluation of Assets / Divestment of Business/Undertaking in last ten years.

#### **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Red Herring Prospectus, the total numbers of equity shareholders are 164 (One Hundred and Sixty-Four). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” beginning on page no. 67 of this Red Herring Prospectus.

#### **SHAREHOLDERS’ AGREEMENTS**

Our Company has not entered into any shareholder’s agreement as on the date of filing this Red Herring Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Red Herring Prospectus.

#### **JOINT VENTURE AGREEMENTS**

Our Company has not entered into any Joint Venture Agreement as on the date of this Red Herring Prospectus.

#### **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement as on the date of this Red Herring Prospectus.

#### **GROUP COMPNIES**

For Group Companies details, please refer to the section “Our *Group Companies*” beginning on page no. 165 of this Red Herring Prospectus.

#### **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Red Herring Prospectus.

#### **FINANCIAL PARTENRS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Red Herring Prospectus.

#### **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS:**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Red Herring Prospectus.

#### **OTHER AGREEMENTS:**

**i. Non-Compete Agreement:**

Our Company has not entered into any Non-Compete Agreement as on the date of filing of this Red Herring Prospectus.

**ii. Joint Venture Agreement:**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Red Herring Prospectus.

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## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Red Herring Prospectus, our Company has 5 (Five) Directors on the Board, 1 (One) as Chairman and Managing Director, 1 (One) Whole Time Director, 1 (One) Non- Executive Director and 2 (Two) as Non-Executive Independent Directors.

Set forth below are details regarding the Board of Directors as on the date of this Red Herring Prospectus:

Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Yash Tikekar</b></p> <p><b>DOB:</b> April 04, 1986</p> <p><b>Age:</b> 37 years</p> <p><b>Qualification:</b> PGDM in Financial Management.</p> <p><b>Designation:</b> Chairman and Managing Director.</p> <p><b>Address:</b> 1003 Bhima, Worli Sagar CHS, Pochkhanwala Road, Prabhadevi, Worli, Mumbai- 400 025, Maharashtra India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 02206485</p> <p><b>Term:</b> Appointed as a Chairman and Managing Director of the Company for a period of 5 years w.e.f. December 27, 2023.</p>	<p>Appointed as a Director on incorporation w.e.f December 05, 2020 Change in Designation as Chairman and Managing Director w.e.f. December 27, 2023.</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. YST Surfactants Private Limited</li> <li>2. YST Specialities Private Limited</li> <li>3. YST Life Sciences Private Limited</li> <li>4. Chemical Brothers Enterprise Private Limited</li> <li>5. VRT Enterprises Private Limited</li> </ol> <p><b>Limited Liability Partnership:</b></p> <p>NIL</p>
<p><b>Abhay Tikekar</b></p> <p><b>DOB:</b> January 16, 1960</p> <p><b>Age:</b> 64 years</p> <p><b>Qualification:</b> Bachelor of Commerce (Honors Course).</p> <p><b>Designation:</b> Whole-Time Directors.</p> <p><b>Address:</b> H 243, Naaina Vihar, Kair, South West, Delhi- 110 028, India.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 10425123</p> <p><b>Term:</b> Appointed as Whole-Time Director in the EGM held on December 27, 2023</p>	<p>Appointed as Whole-Time Director w.e.f. December 27, 2023.</p>	<p><b>Companies:</b></p> <p>NIL</p> <p><b>Limited Liability Partnership:</b></p> <p>NIL</p>

Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
for a period of 5 years w.e.f. December 27, 2023.		
<p><b>Rajesh Madhukar Joshi</b></p> <p><b>DOB:</b> December 12, 1963</p> <p><b>Age:</b> 60 years</p> <p><b>Qualification:</b> LLB</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> 817/D, Chavdar Tale, Behind Ambedkar Hall, at Post Tal- Mahad, District- Raigad, 420 301, Maharashtra, India.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 06533262</p> <p><b>Term:</b> Appointed as Non-Executive Director w.e.f. November 27, 2023 and shall be liable to retire by rotation.</p>	Appointed as Non-Executive Director w.e.f. November 27, 2023.	<p><b>Companies:</b></p> <p>NIL</p> <p><b>Limited Liability Partnership:</b></p> <p>NIL</p>
<p><b>Vaishali Dipen Tarsariya</b></p> <p><b>DOB:</b> September 28, 1991</p> <p><b>Age:</b> 32 years</p> <p><b>Qualification:</b> Bachelors of Commerce</p> <p><b>Designation:</b> Non-Executive Independent Director.</p> <p><b>Address:</b> B/104, Om Shiv Krupa CHS, MTNL Marg Opp. Prabhadevi, Bhawani Shankar, Worli Police Station, Mumbai-400 028, Maharashtra, India.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 10435220</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of 5 years w.e.f. December 27, 2023.</p>	Appointed as Non-Executive Independent Director w.e.f. December 27, 2023.	<p><b>Companies:</b></p> <p>NIL</p> <p><b>Limited Liability Partnership:</b></p> <p>NIL</p>
<p><b>Rajaram Gordhanlal Agarwal</b></p> <p><b>DOB:</b> June 01, 1963</p> <p><b>Age:</b> 60 years</p> <p><b>Qualification:</b> Chartered Accountant</p>	Appointed as Non-Executive Independent Director w.e.f. November 27, 2023	<p><b>Companies:</b></p> <p>NIL</p> <p><b>Limited Liability Partnership:</b></p> <p>NIL</p>

Name, Age, Designation, Address, Occupation, Nationality, DIN and Term	Date of Appointment / Reappointment	Other Directorships / Designated Partners
<p><b>Designation:</b> Non-Executive Independent Director.</p> <p><b>Address:</b> Flt No - A 203, Dheeraj Godavari Bldg 8, Chincholi Bunder Road, Dheeraj Ganga, Malad (West), Mumbai, 400064, Maharashtra, India.</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>DIN:</b> 10384386</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of 5 years w.e.f. November 27, 2023 till November 26, 2023.</p>		

## BRIEF PROFILE OF OUR DIRECTORS

**Yash Tikekar**, aged 37 years is the Chairman and Managing Director of our Company. He has completed Bachelor of Arts from Jai Hind College, Mumbai in the subject of Economics major in the year 2008 and Post Graduate Diploma in Finances Management from SVKM's Narsee Monjee Institute of Management Studies (NMIMS) School of Distance Learning in the year 2013. He is the Founder, Promoter and one of the First Director of the company, later he was appointed as the Chairman and Managing Director of the company with effect from December 27, 2023 for a period 5 years. He leads the product development team in developing components & looks after the Production in the Company and looks after the overall business operations of the Company. He is a high integrity and energetic leader known for his ability and create successful outcome in complex situations. He has the experience of more than Ten years in this field of work of speciality chemicals.

**Abhay Tikekar**, aged 64 years is the Whole Time Director of our Company. He has completed Bachelor of Commerce (Honors Course) from University of Delhi in the year 1978. He appointed as the Whole Time Director of the company with effect from December 27, 2023 for a period 5 years. He looks after the overall business operations of the Company. His functional responsibility in our Company mainly focused on company growth and finances. He possesses a strong work ethic, excellent problem-solving abilities, and a passion for driving growth. He has an experience of Nine year in the Industry.

**Rajesh Madhukar Joshi**, aged 60 years is the Non-Executive Director of our Company. He has completed LLB from University of Pune in the year 1996 and became a member of the Bar Council of Maharashtra and Goa in the year 1998. He is appointed as the Non-Executive Director of the company with effect from December 27, 2023. He brings with him the energy, vision, and plan to grow the company exponentially in the coming years. He is a practicing advocate dealing with criminal, civil, environment, revenue, insurance, consumer cases/suits / appeals etc. He has the experience of more than two decades in legal field.

**Vaishali Dipen Tarsariya**, aged 32 years is the Non-Executive Independent Director of our Company. She has completed Bachelor of Commerce from Institute of Distance and Open Learning, University of Mumbai in the subject of Financial Accounting and Auditing in the year 2014 She was appointed as the Non-Executive Independent Director of the company with effect from December 27, 2023 for a period 5 years. She worked with J M Mehta & Co. as an Associate Accountant till April, 2021. She brings to the Company her work experience in the field of finance to guide the Company towards development in the industry.

**Rajaram Gordhanlal Agarwal** aged 60 years is the Non-Executive Independent Director of our Company. He has completed the course of Chartered Accountancy from the Institute of Chartered Accountants of India in the year 2008 and was admitted as an Associate of the Institute as on March 11, 2008. He was appointed as the Non-Executive Independent Director of the company with effect from November 27, 2023 for a period of 5 years. He has been a part of the Specialty Chemical Industry for the last over 30 years. He was associated with DCW Limited till May, 2021. He has experience in varied sectors including Auditing, accounting & Financing. Having an experience spread across verticals along with an in-depth understanding of markets across the globe he holds an edge in the specialty chemical industry to lead our company.

## CONFIRMATIONS

As on date of this Red Herring Prospects:

- None of the Directors and Key Managerial Personnel of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.
- There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors were selected as a director or member of senior management.
- The directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
- None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of SEBI ICDR Regulations.
- None of our Directors are or were directors of any listed Company whose shares have been/were suspended from trading by any of the stock exchange(s) during his/her tenure in that Company in the last five years or delisted from the stock exchange(s) during the term of their directorship in such companies.
- None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of the Promoters or Directors has been or is involved as a promoters or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce them to become or to help them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

## DETAILS OF BORROWING POWERS

Pursuant to a Special Resolution passed at an Extra-Ordinary General Meeting of our Company held on January 09, 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 are authorized to borrow monies from time to time, with or without security, 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 ₹250 Crores.

## REMUNERATION / COMPENSATION TO OUR DIRECTORS

### Yash Tikekar

Yash Tikekar, has been a director of the Company since incorporation of the Company i.e., December 05, 2020. He was appointed as the Chairman & Managing Director of our Company in the Board Meeting dated December 27, 2023, and Shareholder in the Extra Ordinary Meeting dated December 27, 2023 of the Company for a period of Five years. The details of his remuneration for a period of five years, are as stated below:

### SALARY & OTHER BENEFITS:

<b>Tenure of Remuneration</b>	Five (5) years with effect from December 27, 2023.
<b>Salary inclusive of all allowance and incentives</b>	Up to Rs.36,00,000/- (Rupees Thirty-Six Lakh Only) per annum. The Managing director shall be entitled to such increment from time to time as the board may by its discretion determine subject to the limit set out in schedule V of companies Act, 2023.
<b>Other benefits</b>	The director shall be entitled to reimbursement of expenses as decided by the Board of Directors of the Company from time to time.
<b>Minimum Remuneration</b>	The aggregate of the remuneration and perquisites' as aforesaid, in any financial year



	<p>shall not exceed the limit set out under section 197 and 198 read with Schedule V and other applicable provision of companies act 2013 or any other modification or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where in any financial year, the company has no profit or its profit are inadequate, the company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Chairman and Managing Director as and by way of minimum remuneration, subject to applicable provision of Schedule V of the act and the approval of the central Government, if required or any other approval as may be required under law.</p>
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### Abhay Tikekar

Abhay Tikekar was appointed as the Whole Time Director of our Company in the Board Meeting dated December 27, 2023, and Shareholder in the Extra Ordinary Meeting dated December 27, 2023 of the Company for a period of Five years. The details of his remuneration for a period of five years, are as stated below:

#### SALARY AND OTHER BENEFITS:

<b>Tenure of Remuneration</b>	Five (5) years with effect from December 27, 2023.
<b>Salary inclusive of all allowance and incentives</b>	Up to Rs.12,00,000/- (Rupees Twelve Lakh Only) per annum. The Whole Time director shall be entitled to such increment from time to time as the board may by its discretion determine subject to the limit set out in Schedule V of Companies Act, 2013
<b>Other benefits</b>	The director shall be entitled to reimbursement of expenses as decided by the Board of Directors of the Company from time to time.
<b>Minimum Remuneration</b>	<p>The aggregate of the remuneration and perquisites' as aforesaid, in any financial year shall not exceed the limit set out Under Section 197 and 198 read with Schedule V and other applicable provision of Companies Act, 2013 or any other modification or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.</p> <p>Provided that where in any financial year, the company has no profit or its profit are inadequate, the company shall pay the above salary and allowances and provide the perquisites and other amenities as aforesaid to the Whole Time Director as and by way of minimum remuneration, subject to applicable provision of Schedule V of the act and the approval of the central Government, if required or any other approval as may be required under law.</p>

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 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, for the time being in force).

Set forth below is the remuneration payable by our Company to our Directors for the upcoming financial years:

(₹ in Lakh)

Sr. No	Name of the Director	Remuneration shall not exceed
1.	Yash Tikekar	36.00
2.	Abhay Tikekar	12.00
	<b>Total</b>	<b>48.00</b>

Remuneration paid for F.Y. 2022-23, the directors have been paid gross remuneration as follows:

(₹ in Lakh)

Sr. No	Name of the Director	Remuneration paid
1.	Yash Tikekar	18.00
	<b>Total</b>	<b>18.00</b>

#### SITTING FEES

Pursuant to the Resolution passed by the Board of Directors of our Company on January 06, 2024, the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹10,000 /- with effect from January 06, 2024 for attending every meeting of Board and committees thereof.

#### **REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS BY OUR SUBSIDIARIES OR ASSOCIATES**

As on the date of this Red Herring Prospectus, we do not have any subsidiaries or associates.

#### **PAYMENT OF BENEFITS (NON-SALARY RELATED)**

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

There is no contingent or deferred compensation payable to our directors, which does not form part of their remuneration.

#### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

None of the Directors are party to any bonus or profit-sharing plan of our Company.

#### **SHAREHOLDING OF OUR DIRECTORS**

Our Articles of Association do not require our directors to hold any qualification shares.

The details of the shareholding of our directors as on the date of this Red Herring Prospectus are as follows:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre-Issue Capital	% of Post-Issue Capital;
1.	Yash Tikekar	58,80,050	65.25%	48.11%

#### **INTEREST OF OUR DIRECTORS**

All our directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof payable to them.

Further our directors may be deemed to be interested to the extent of shareholding held by them in our Company or held by the entities in which they are associated as directors or partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue and any dividend and other distributions payable in respect of such Equity Shares. For the shareholding of the Directors, please refer chapter titled “*Our Management*” beginning on page no. 146 of this Red Herring Prospectus.

Further, relatives of certain of our directors are also shareholders and / or employees of our Company and may be deemed to be interested to the extent of the payment of remuneration made by our Company and dividends declared on the Equity Shares held by them, if any. For the payments that are made by our Company to such relatives of the Directors, see “*Restated Financial Statements – Annexure Y- Related Party Transactions*” beginning on page no. 202 of this Red Herring Prospectus.

Except mentioned in the Restated Financial Statements, no loans have been availed or extended by our directors from or to, our Company. No sum has been paid or agreed to be paid to our directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce them to become, or to qualify them as, a director, or otherwise for services rendered by them by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in the heading titled “*Properties*” under the chapter titled “*Business Overview*”, beginning on page no. 113 of this Red Herring Prospectus, none of our directors have interest in any property acquired or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as stated in the chapter titled “*Business Overview*” and “*Restated Financial Statements*” beginning on page no. 113 and 169 of this Red Herring Prospectus respectively and to the extent of shareholding in our Company, if any, our directors do not have any other business interest in our Company.

Except Yash Tikekar, who is the Promoter of our Company, none of the other Directors are interested in the promotion of our Company.

#### **POLICIES ADOPTED BY OUR COMPANY**

Our Company has adopted the following policies:

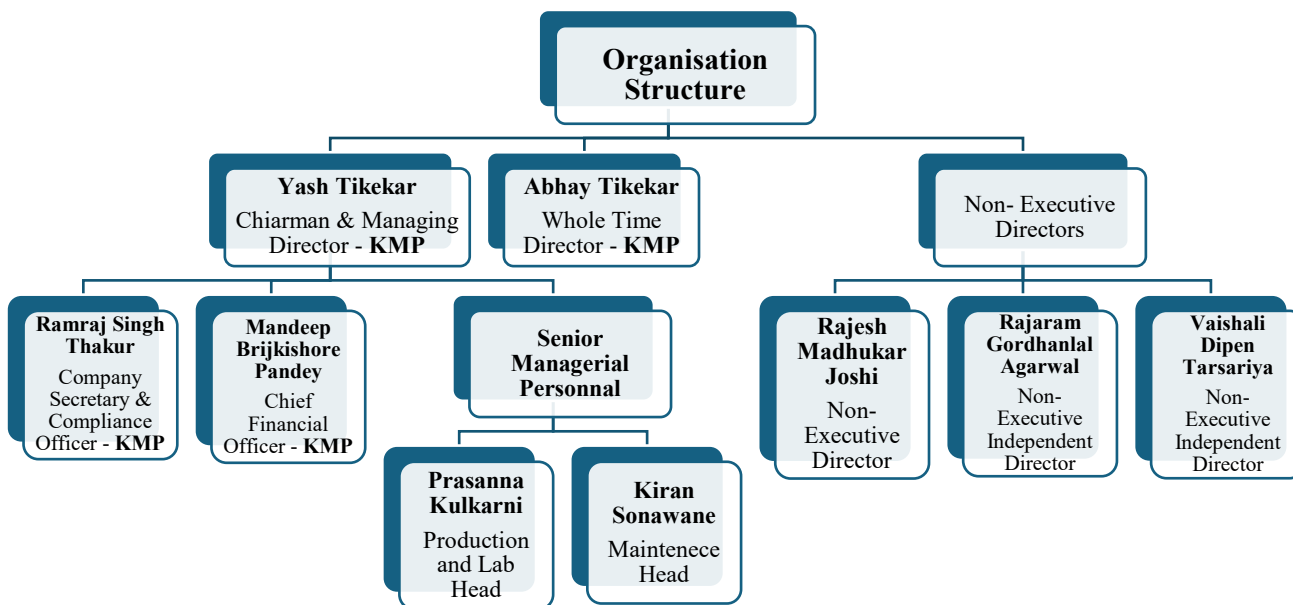
- Policy on Code of Conduct for Directors and Senior Management.
- Policy of Audit Committee.
- Policy of Nomination and Remuneration Committee.
- Policy of Stakeholder Relationship Committee.
- Policy on Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information.
- Policy on Disclosure and Internal Procedure for Prevention of Insider Trading.
- Policy on Whistle Blower and Vigil Mechanism.
- Policy on Related Party Transactions (RPT).
- Policy for Preservation of Documents and Archival of Documents.
- Policy for Prevention of Sexual Harassment.
- Policy on Materiality for Disclosures of events to Stock Exchanges.
- Policy on Code of Independent Directors and Familiarization of Independent Director.
- Policy for identification of Materiality of outstanding Litigations involving Company, its subsidiary(ies), Directors, Promoter and other Group Companies.

#### **CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Date of Appointment/Change in Designation</b>	<b>Reason for Change</b>
1.	Rajesh Madhukar Joshi	November 27, 2023	Appointed as Non-Executive Director of our company
2.	Rajaram Gordhanlal Agarwal	November 27, 2023	Appointed as Non-Executive Independent Director of our company
3.	Ramraj Singh Thakur	December 04, 2023	Appointed as the Company Secretary and Compliance Officer of the Company of our company
4.	Yash Tikekar	December 27, 2023	Change in Designation to Chairman and Managing Directors of our Company
5.	Abhay Tikekar	December 27, 2023	Appointed as the Whole Time Director of our Company
6.	Vaishali Dipen Tarsariya	December 27, 2023	Appointed as Non-Executive Independent Director of our company
7.	Mandeep Brijkishore Pandey	December 27, 2023	Appointed as the Chief Financial Officer of our company

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## ORGANISATION STRUCTURE



## CORPORATE GOVERNANCE

We are in compliance with the requirements of the Companies Act in respect of corporate governance including constitution of the Board and committees thereof. Further, conditions of corporate governance as stipulated in Regulation 17 to 27 of the SEBI LODR Regulations is not applicable to our company in terms of the Regulation 15(2)(b) of the SEBI LODR Regulations. Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Red Herring Prospectus, our Company has 5 (Five) Directors on the Board, 1 (One) as Chairman and Managing Director, 1 (One) Whole Time Director, 1 (One) Non- Executive Director and 2 (Two) as Non- Executive Independent Directors.

## COMMITTEES OF THE BOARD OF DIRECTORS

Our Board of Directors presently has four (4) committees which have been constituted in accordance with the relevant provisions of the Companies Act: (i) Audit Committee, (ii) Stakeholders' Relationship Committee, (iii) Nomination and Remuneration Committee, and (iv) Corporate Social Responsibility Committee.

### Audit Committee.

Our Board has constituted the Audit Committee *vide* Board Resolution dated January 06, 2024 which was in accordance with Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Rajaram Gordhanlal Agarwal	Non-Executive Independent Director	Chairman

Name of the Member	Nature of Directorship	Designation in Committee
Vaishali Dipen Tarsariya	Non-Executive Independent Director	Member
Yash Tikekar	Chairman and Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

**A. Powers of Audit Committee**

**The Audit Committee shall have the following powers:**

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**B. Role of the Audit Committee**

**The role of the audit committee shall include the following:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. 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; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the company with related parties; **Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.
10. Scrutiny of inter-corporate loans and investments;

11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director 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; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.
23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**Further, the Audit Committee shall mandatorily review the following information:**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 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 Listing 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) the SEBI Listing Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

***Meeting of Audit Committee and Relevant Quorum.***

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

**Stakeholders’ Relationship Committee.**

Our Board has constituted the Stakeholders’ Relationship Committee vide Board Resolution dated January 06, 2024 pursuant to Section 178 of the Companies Act, 2013. The Stakeholder’s Relationship Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Vaishali Dipen Tarsariya	Non-Executive Independent Director	Chairman
Yash Tikekar	Chairman and Managing Director	Member
Rajaram Gordhanlal Agarwal	Non-Executive Independent Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

The scope and function of the Stakeholders’ Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders’ Relationship Committee of our Company include:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- Review of measures taken for effective exercise of voting rights of by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annualreports/ statutory notices by the shareholders of the Company; and
- Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

**Meeting of Stakeholders’ Relationship Committee and Relevant Quorum**

The Stakeholders’ Relationship committee shall meet at least four times in a year and shall report to the Board of Directors on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum for a meeting of the Stakeholder’s Relationship Committee shall be two members present.

**Nomination and Remunerataion Committee.**

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution dated January 06, 2024 pursuant to section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Rajaram Gordhanlal Agarwal	Non-Executive Independent Director	Chairperson
Vaishali Dipen Tarsariya	Non-Executive Independent Director	Member
Rajesh Madhukar Joshi	Non-Executive Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;’
2. For every appointment of an independent director, the Nomination and Remuneration Committeeshall 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 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 an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
  4. devising a policy on diversity of board of directors;
  5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
  6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  7. recommend to the board, all remuneration, in whatever form, payable to senior management;
  8. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
    - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
  9. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
  10. performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

#### **Meeting of Nomination and Remuneration Committee and Relevant Quorum**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members. The Committee shall meet as and when required.

#### **Corporate Social Responsibility (CSR) Committee.**

Our Board has constituted the Corporate Social Responsibility Committee vide Board Resolution dated January 06, 2024 pursuant to section 135 of the Companies Act, 2013, till the last Financial year CSR provision was not applicable for the company, hence CSR committee was constituted for the upcoming Financial year.

The Corporate Social Responsibility Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Vaishali Dipen Tarsariya	Non-Executive Independent Director	Chairman
Yash Tikekar	Chairman and Managing Director	Member
Rajaram Gordhanlal Agarwal	Non-Executive Independent Director	Member

The scope of Corporate Social Responsibility Committee shall include but shall not be restricted to the following:

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;



2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
3. To monitor the CSR policy of the Company from time to time; and
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### **Meeting of Corporate Social Responsibility Committee and Relevant Quorum.**

The quorum necessary for a meeting of the Corporate Social Responsibility Committee shall be two members or one third of the members of the committee whichever is greater. The Committee shall meet at least once in a year.

### **KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel and senior management of our Company:

#### **Key Managerial Personnel of our Company:**

Yash Tikekar is the Chairman & Managing Director of the Company and Abhay Tikekar is the Whole Time Director of the Company. For detailed profile, see para, “*Brief Profile of our Directors*” in the Chapter titled “*Our Management*” beginning on page no. 146 of this Red Herring Prospectus.

**Mandeep Brijkishore Pandey**, aged 36 years, is the Chief Financial Officer of our Company with effect from December 27, 2023. He has completed Professional Competence Examination by the Institute of Chartered Accountants of India held in the year 2012 and has Accounting Technician Certificate from the Institute of Chartered Accountants of India acquired in the year 2015. He has around 7 years of experience in the fields of Financial Reporting, Management Reporting, Tax & Statutory Compliance, Capital & Risk Management, Strategic Financial Planning including in-depth FP&A and Regulatory Compliance. Currently he is associates with our company and he is responsible for accounts and finance of our company.

**Ramraj Singh Thakur**, aged 33 years, is the Company Secretary and Compliance Officer of our Company with effect from December 04, 2023. He has completed Company Secretary Course by the Institute of Companies Secretaries of India held in and became an associate member of the Institute of Companies Secretaries of India in the year 2017. He has around 7 years of experience in the fields of Statutory and Regulatory Compliance. Currently he is associates with our company and he is responsible for all the Compliance of our company.

#### **Senior Management Personnel of our Company:**

In addition to the above, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Red Herring Prospectus are set forth below:

**Prasanna Pralhadrao Kulkarni**, aged 54 years, is the Production and Lab Head of our company. He has been associated with our company since December 01, 2023. He has completed Bachelor of Science from Karnatak University in the year 1991. He is looking after the production activity on a day-to-day basis and is also in charge of Raw material planning, manpower management and various other production associate work.

**Kiran Yuvaraj Sonawane**, aged 48 years, is the Maintenance Head of our company. He has been associated with our company since December 01, 2023. He holds a diploma in Mechanical Engineering from Maharashtra State Board of Technical Education in the year 1995 and hold a Diploma in Industrial Management from Prin. L. N. Welingkar Institute of Management Development and Research, Mumbai in the year 1999. He is in charge of Maintenance & utility operation work of factory, ETP plant functioning, maintenance, water management, routine maintenance of all machinery and utility along with maintaining proper records.

### **STATUS OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

All our Key Managerial Personnel and senior management are permanent employees of our Company.

### **RELATIONSHIP BETWEEN OUR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of the Directors, Key Managerial Personnel and Senior Managerial Personnel of our Company are related to each

other as per Section 2(77) of the Companies Act, 2013.

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

Except as mentioned below, None of the Key Managerial Personnel and Senior Managerial Personnel of our Company hold any shares in the Company:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>No. of Equity Shares</b>	<b>%of Pre-issue Capital</b>
1.	Yash Tikekar	Chairman & Managing Director.	58,80,050	65.25

#### **SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Our Key Managerial Personnel or Senior Management have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

None of our Key Management Personnel or Senior Management has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel or Senior Management may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares in future.

#### **ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel or senior management have been selected as the Key Managerial Personnel or senior management of our Company.

#### **BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

There is no profit-sharing plan for the Key Managerial Personnel or senior management. However, our Company provides performance linked bonus payments, in accordance with their terms of appointment.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

There is no contingent or deferred compensation payable to our Key Managerial Personnel and senior management, which form part of their remuneration.

#### **EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Our Company does not have an employee stock option scheme as on the date of this Red Herring Prospectus.

#### **PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

No non salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

#### **CHANGES IN OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS RED HERRING PROSPECTUS**

The changes in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of filing of this Red Herring Prospectus are set forth below:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Change in designation</b>	<b>Reason for Change</b>
Mandeep Brijkishore Pandey	Chief Financial Officer	December 27, 2023	Appointment as Chief Financial Officer
Ramraj Singh Thakur	Company Secretary and	December 04, 2023	Appointment as Company

Name	Designation	Date of Appointment/ Change in designation	Reason for Change
	Compliance Officer		Secretary and Compliance Officer

**ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

The attrition of Key Managerial Personnel and senior management is not high in our Company compared to the industry.

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## OUR PROMOTER AND PROMOTER GROUP


### OUR PROMOTER

The Promoter of our Company is **Yash Tikekar**

As on the date of this Red Herring Prospectus, our Promoters holds in aggregate 58,80,050 Equity Shares of face value ₹10/- each, representing 65.25% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

For details, see the section “*Capital Structure - Details of Shareholding of our Promoters and members of the Promoter Group in the Company*” beginning on page no. 67 of this Red Herring Prospectus.

### BRIEF PROFILE OF OUR PROMOTERS IS AS FOLLOWS:

	<b>Yash Tikekar, Chairman &amp; Managing Director</b>	
	<b>Qualification</b>	PGDM in Financial Management
	<b>Date of Birth</b>	02/04/1986
	<b>Age</b>	37 Year
	<b>Address</b>	1003, Bhima Worli Sagar CHS, Pochkhanwala Road, Prabhadevi, Worli, Mumbai- 400 025, Maharashtra, India.
	<b>Experience</b>	10 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AEUPT9512J
	<b>Passport Number</b>	Z4126713
	<b>License Number</b>	MH0120100101877
	<b>No. of Equity Shares held in [% of Shareholding (Pre-Issue)]</b>	58,80,050 Equity Shares of face value ₹10/- each, representing 65.25%.
	<b>DIN</b>	02206485
	<b>Other Interests</b>	<ol style="list-style-type: none"> <li>1. YST Surfactants Private Limited</li> <li>2. YST Specialities Private Limited</li> <li>3. YST Life Sciences Private Limited</li> <li>4. Chemical Brothers Enterprise Private Limited</li> <li>5. VRT Enterprises Private Limited</li> </ol>

### DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Aadhar Card Number, Driving License Number, Bank Account Details and Passport Number of our Promoter shall be submitted with the Stock Exchange at the time of filing this Red Herring Prospectus.

### UNDERTAKING

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority;
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad;

- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoter, Group Company and Company promoted by the promoter of our company;
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoters since incorporation;
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoter are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus;
- None of our Promoter 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.

## **OTHER VENTURES OF OUR PROMOTERS**

Other than as disclosed in this section “*Our Promoter and Promoter Group*” beginning on page no. 161 of this Red Herring Prospectus, our Promoter is not involved in any other ventures.

## **CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY**

There has not been any effective change in the control of our Company in the since incorporation till the date of this Red Herring Prospectus and except otherwise stated in the chapter titled “*Our Management*” beginning on page no. 146 of this Red Herring Prospectus, there has been no change in the management of our Company.

## **INTEREST OF PROMOTERS**

### ***Interest in Promotion of our Company***

Our Company is promoted by Yash Tikekar who holds 58,80,050 Equity Shares of our Company as of the date of this Red Herring Prospectus.

Our Promoter is interested in our Company to the extent of the promotion of our Company and to the extent of their shareholdings in our Company and/or the shareholding of their relatives in our Company and/or employment related benefits paid by our Company i.e., remuneration and reimbursement of expenses payable to the individual promoters in such capacities. For further details in this regard, please refer chapter titled “*Capital Structure*” and “*Our Management*” beginning on page no. 67 and 146 respectively of this Red Herring Prospectus.

### ***Interest in the properties, land, construction of building, supply of machinery, etc.***

Except as mentioned in the chapter titled “*Business Overview*” and “*Restated Financial Statements*” beginning on page no. 113 and 169 respectively of this Red Herring Prospectus, neither our Promoter do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Red Herring Prospectus or in any transaction by our Company for 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.

### ***Payment or Benefit to the Promoter or Promoter Group in the last 2 (two) years***

Except as stated above in chapters “*Restated Financial Statements*” beginning on page no. 169 of this Red Herring Prospectus, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing of this Red Herring Prospectus or intended to be paid or given to any Promoter or member of our Promoter Group and no consideration for payment of giving of the benefit.

### ***Interest in our Company other than as Promoter***

Except as mentioned in this chapter and chapters titled “*Business Overview*”, “*History and Corporate Structure*”, “*Our Management*” and “*Restated Financial Statements*” beginning on page no. 113, 141, 146 and 169 respectively, our Promoter do not have any other interest in our Company.

### ***Other ventures of our Promoter***

Our Promoter is also the Director on the board, or is a shareholder, member or partner, and other entities with which our Company has had related party transactions and may be deemed to be interested to the extent of the payments made by our Company, if any, to such entities forming part of the Promoter Group and such other entities. For the payments that are made by our Company to certain entities forming part of the Promoter Group and other related parties, see “*Summary of Issue Document*” and “*Our Group Companies*” beginning on page no. 18 and 165 respectively of this Red Herring Prospectus.

#### **INTEREST OF DIRECTORS**

For further details, please refer Chapter “*Our Management*” beginning on page no. 146 of this Red Herring Prospectus.

#### **INTEREST OF GROUP COMPANIES**

For further details, please refer Chapter “*Our Group Companies*” beginning on page no. 165 of this Red Herring Prospectus.

#### **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoter in the business of our Company, see Chapter titled “*Business Overview*” and “*Our Management*” beginning on page no. 113 and 146 respectively of this Red Herring Prospectus.

#### **RELATED PARTY TRANSACTIONS**

For the transactions with our Group companies, please refer to chapter titled “*Restated Financial Statements- Annexure – Y- Related Party Transactions*” beginning on page no. 202 of this Red Herring Prospectus.

#### **OUTSTANDING LITIGATION INVOLVING OUR PROMOTERS**

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus.

#### **MATERIAL GUARANTEES**

Except as stated in the chapter titled and chapter titled “*Restated Financial Statements*” beginning on page no. 169 of this Red Herring Prospectus, respectively, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Red Herring Prospectus.

#### **COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE (3) YEARS**

Our Promoters have not disassociated themselves from any firms or companies in the last three (3) years preceding this Red Herring Prospectus.

#### **OUR PROMOTER GROUP**

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, is as under:

##### **A. Natural Persons who form part of our Promoter Group:**

<b>Promoter</b>	<b>Yash Tikekar</b>
<b>Relationship with Promoter</b>	
<b>Father</b>	Sunil Vasant Tikekar
<b>Mother</b>	Anjali Sunil Tikekar
<b>Spouse</b>	Natasha Balmukand Luthra
<b>Brother(s)</b>	NIL
<b>Sister(s)</b>	NIL
<b>Son(s)</b>	NIL
<b>Daughter(s)</b>	NIL
<b>Spouse's Father</b>	Late Balmukand Ramchand Luthra
<b>Spouse's Mother</b>	Kailash Luthra
<b>Spouse's Brother(s)</b>	Nitin Balmukand Luthra
<b>Spouse's Sister(s)</b>	Neetu B Luthra

##### **B. In case promoter is a Body Corporate:**

Sr. No.	Nature of Relationship	Name of the Promoter Entities / Company
1.	Subsidiary(ies) or holding company of Promoter Company	NA
2.	Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	NA
3.	Any Body corporate in which a group of individuals or companies or combinations thereof acting in concert, which hold 20% or more of the equity share capital in that body corporate and such group of individuals or companies or combinations thereof also holds 20% or more of the equity share capital of the issuer and are also acting in concert.	NA

**C. In case promoter is an Individual:**

Sr. No.	Nature of Relationship	Name of the Entities / Company
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 HUF in which promoter or any one or more of his immediate relatives is a member.	1. Chemical Brothers Enterprise Private Limited 2. YST Life Sciences Private Limited 3. YST Surfactants Private Limited 4. VRT Enterprises Private Limited
2.	Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital.	NA
3.	Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 20%.	NA

**D. All persons whose shareholding is aggregated under the heading “shareholding of the Promoter Group”:**

The following 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: NA

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## OUR GROUP COMPANIES

In accordance with Sections 2(1)(t) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Group Companies shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the Company.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated January 06, 2024 our Group Companies includes:

- (i) Those companies disclosed as related parties in accordance with Accounting Standards (“AS 18”) issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
- (ii) All such companies which are deemed to be material by the Board of Directors.

Except as stated below, 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.

1. Chemical Brothers Enterprises Private Limited.
2. VRT Enterprises Private Limited.
3. YST Life Sciences Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable), are available at the websites indicated below.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Companies and other information provided on the websites given below does not constitute a part of this Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

### 1. CHEMICAL BROTHERS ENTERPRISES PRIVATE LIMITED (CBEPL)

#### Corporate Information

Chemical Brothers Enterprises Private Limited was incorporated as a Private Limited company under the Companies Act, 2013 on August 22, 2014 having its registered office at Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai- 400 018, Maharashtra, India.

The Corporate Identity Number is U51900MH2014PTC257481.

#### Shareholding Pattern

Name of Shareholder	No. of shares held	% of holding
VRT Enterprises Pvt Ltd	14,50,000	48.33%
Yash Tikekar	15,50,000	51.67%

#### Nature & Type of Business

To carry on manufacture, produce, refine, process, formulate, acquire, convert, sell, distribute, import, export, dealing in either as principal or agents in organic and inorganic chemicals, alkalis, acids, gases, petrochemicals, salts, electro-chemicals, chemical elements and compound pesticides, insecticides, light 7 heavy chemicals of any nature used, or capable of being used in the pharmaceuticals, textile industry, defence chemicals, fertilisers, petrochemicals, and industrial chemicals, solvents of any mixtures, derivatives and compound thereof.

#### Financial Information

As required under the SEBI ICDR Regulations, Chemical Brothers Enterprises Private Limited shall host the financial information derived from the audited financial statements for the years ended March, 2023, March, 2022 and March, 2021



on the website of our company since Chemical Brothers Enterprises Private Limited does not have a separate website. Such financial information is available at [www.indianemulsifiers.com](http://www.indianemulsifiers.com).

## 2. VRT ENTERPRISES PRIVATE LIMITED (VEPL)

### Corporate Information

VRT Enterprises Private Limited was incorporated as a Private Limited company under the Companies Act, 2013 on October 07, 2019 having its registered office at Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai- 400 018, Maharashtra, India.

The Corporate Identity Number is U24296MH2019PTC331362.

### Shareholding Pattern

Name of Shareholder	No. of shares held	% of holding
Yash Tikekar	14,07,000	70.00%
Vasant Tikekar	6,03,000	30.00%

### Nature & Type of Business

To carry on the business as manufacturers, traders, distributors in all kind of chemicals and allied industries.

### Financial Information

As required under the SEBI ICDR Regulations, VRT Enterprises Private Limited shall host the financial information derived from the audited financial statements for the years ended March, 2023, March, 2022 and March, 2021 on the website of our company since VRT Enterprises Private Limited does not have a separate website. Such financial information is available at [www.indianemulsifiers.com](http://www.indianemulsifiers.com).

## 3. YST LIFE SCIENCES PRIVATE LIMITED (YLSPL)

### Corporate Information

YST Life Sciences Private Limited was incorporated as a Private Limited company under the Companies Act, 2013 on March 20, 2017 having its registered office at Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai- 400 018, Maharashtra, India.

The Corporate Identity Number is U24304MH2017PTC292660.

### Shareholding Pattern

Name of Shareholder	No. of shares held	% of holding
Yash Tikekar	7,10,000	70.30%
VRT Enterprises Pvt Ltd	3,00,000	29.70%

### Nature & Type of Business

Manufacturing and Trading in Speciality Chemicals.

### Financial Information

As required under the SEBI ICDR Regulations, YST Life Sciences Private Limited shall host the financial information derived from the audited financial statements for the years ended March, 2023, March, 2022 and March, 2021 on the website of our company since YST Life Sciences Private Limited does not have a separate website. Such financial information is available at [www.indianemulsifiers.com](http://www.indianemulsifiers.com).

## CONFIRMATION

Our Promoter and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters

and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities as on the date of this Red Herring Prospectus.

Further, our company or our group entity or any entity promoted by the promoters, has not been in default in payment of listing fees to any stock exchange in the last three years or has not been delisted or suspended in the past and not been proceeded against by SEBI or other regulatory authority in connection with investor related issues or otherwise.

#### **INTEREST OF OUR GROUP ENTITIES**

None of our Group Entities are interested in the promotion of our Company. Except as disclosed in the section titled “*Restated Financial Statements*” beginning on page no. 169 of the Red Herring Prospectus and to the extent of their shareholding in our Company, our Group Entities do not have any other interest in our Company.

#### **SICK COMPANIES / WINDING UP**

No Promoter Group Entities listed above have been declared as a sick company under the Sick Industrial Companies (Special Provisions) Act, 1985. There are no winding up proceedings against any of the Promoter Group Entities.

#### **LITIGATION**

For details on litigations and disputes pending against the Promoters and Promoter Group entities and defaults made by them, please refer to the chapter titled, “*Outstanding Litigations and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus.

#### **DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS**

None of our Promoters have disassociated themselves from any of the companies during preceding three years.

#### **SALES / PURCHASES BETWEEN OUR COMPANY AND GROUP ENTITIES**

There is no sale purchase between our Company and Group Entities except as mentioned in Annexure Y Related Party Disclosures under the chapter titled “*Restated Financial Statement*” beginning on page no. 169 of this Red Herring Prospectus.

#### **COMMON PURSUITS BETWEEN OUR GROUP COMPANIES AND OUR COMPANY**

Chemical Brothers Enterprises Private Limited, VRT Enterprises Private Limited & YST Life Sciences Private Limited are engaged in the similar line of business under B2B & B2C segment as that of the company. While there may be instances of competition with Indian Emulsifier Limited, we believe that there is no conflict of interest with it. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

Except as aforementioned, there are no common pursuits among our Company and Group Entities or any objects similar to that of our Company’s business.

#### **RELATED PARTY TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

Other than the transactions disclosed in “*Annexure Y- Restated Financial Statements*” beginning on page no. 202 of this Red Herring Prospectus, there are no other business transactions between our Company and the Group Companies which are significant to the financial performance of our Company.

#### **OTHER CONFIRMATIONS**

Our Group Companies are not listed on any stock exchange. Our Group Companies have not made any public or rights issue of securities in the preceding three years.

## DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Article of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

For details of risks in relation to our capability to pay dividend, see “*Risk Factors*” beginning on page no. 24 of the Red Herring Prospectus. Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid / declared any dividend in last three years from date of this Red Herring Prospectus.

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**SECTION VII – FINANCIAL INFORMATION**  
**RESTATED FINANCIAL STATEMENTS**

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## Independent Examination Report on Restated Standalone Financial Information

### RESTATED FINANCIAL STATEMENTS AUDITORS REPORT

To,  
The Board of Directors  
**INDIAN EMULSIFIERS LIMITED**  
Shop 206, Foor-2, Sumer Kendra, Shivram Seth Amrutwar  
Road Near Doordarshan Kendra, Off Pandurang Budhwar  
Marg, Worli, Mumbai 400 018, Maharashtra, India,

Dear Sirs/Madam,

#### 1. Report on Restated Financial Statements:

We have examined the Restated Financial Statements of M/s. **INDIAN EMULSIFIERS LIMITED** (herein after referred as “the Company”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- a. Section 26 of Companies Act, 2013 (hereinafter referred to as the- "Act"), read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
  - c. The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of NSE (“IPO” or “SME IPO”);
  - d. The (Revised) Guidance Note on Reports in Company Prospectus issued by the Institute of Chartered Accountants of India (“ICAI”); and
  - e. In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts, we, M/s Dave & Dave, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid Certificate issued by the “Peer Review Board” of the ICAI.
2. The Restated Summary Statements and Financial information of the Company have been extracted/ prepared by the management from the Audited Financial Statements of the Company for the period ended December 31, 2023 & financial years ended on March 31, 2023, March 31, 2022 & March 31, 2021 which have been approved by the Board of Directors.
  3. Financial Statements for the period ended December 31, 2023 have been audited by us Dave & Dave and financial year ended March 31, 2023, for the year ended March 31, 2022 and for the year ended March 31, 2021 have been audited by M/s R Trivedi & Associates, reliance has been placed on the financial information examined by them for the said year. The Financial Report included for that year is based solely on the report submitted by them.

#### 4. Financial Information as per Audited Financial Statements:

- 1) We have examined:
  - The attached Restated Statement of Assets and Liabilities of the Company as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 (Annexure I);
  - The attached Restated Statement of Profit and Losses of the Company for the period ended on December 31, 2023 & financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 (Annexure II);

- The attached Restated Statement of Cash Flows of the Company for the period ended on December 31, 2023 & financial year ended on ended on March 31, 2023, March 31, 2022 and March 31, 2021 (Annexure III);
- The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “**Restated Financial Statements**” or “**Restated Summary Statements**”)

- 2) In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (the “ICAI”) and the terms of our engagement agreed with you, we report that:
- a) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company for the period ended on December 31, 2023 & financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated 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 the Restated Summary Statements as set out in Annexure IV to this Report.
  - b) The “**Restated Statement of Profit and Loss**” as set out in Annexure II to this report, of the Company for the period ended on December 31, 2023 & financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated 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 the Restated Summary Statements as set out in Annexure IV to this Report.
  - c) The “**Restated Statement of Cash Flow**” as set out in Annexure III to this report, of the Company for the period ended on December 31, 2023 & financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, 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 Restated Summary Statements as set out in Annexure IV to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the period ended on December 31, 2023 & financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021, we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- i. Adjustments for any material amounts in the respective financial years have been made to which they relate; and
  - ii. There are no Extra-ordinary items except as shown in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.
- i. There were no qualifications in the Audit Reports issued by the statutory auditors for the financial period/year ended on December 31,2023, March 31 ,2023, March 31,2022 and March 31,2021, which would require adjustments in this Restated Financial Statements of the Company.
  - ii. Adjustments in Financial Statements have been made in accordance with the correct accounting policies as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
  - iii. There are no revaluation reserves, which need to be disclosed separately in the “**Restated Financial Statements**”.

- iv. The Company has not paid any dividend on its equity shares during the period ended December 31, 2023 & financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.

## 5. Other Financial Information:

We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the period ended on December 31, 2023 & financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

Restated Statement of Property Plant and Equipment	Annexure A
Restated Statement of Investments	Annexure B
Restated Statement of Non-current other Financial Assets	Annexure C
Restated Statement of Inventories	Annexure D
Restated Statement of Trade receivables	Annexure E
Restated Statement of Cash and cash equivalents	Annexure F
Restated Statement of Current other Financial Assets	Annexure G
Restated Statement of Other Current Assets	Annexure H
Restated Statement of Equity Share Capital & Other Equity	Annexure I
Restated Statement of Non-current Borrowings	Annexure J
Restated Statement of Deferred tax Liabilities	Annexure K
Restated Statement of Current Borrowings	Annexure L
Restated Statement of Trade Payable	Annexure M
Restated Statement of Other current financial Liabilities	Annexure N
Restated Statement of Current Liabilities	Annexure O
Restated Statement of Provisions	Annexure P
Restated Statement of Revenue from operations	Annexure Q
Restated Statement of Other Income	Annexure R
Restated Statement of Cost of Material Consumed	Annexure S
Restated Statement of Change in Inventories	Annexure T
Restated Statement of Employee Benefit Expense	Annexure U
Restated Statement of Other Expenses	Annexure V
Restated Statement of Accounting Ratios	Annexure W
Restated Statement of Capitalization	Annexure X
Restated Statement of Related Party Transactions	Annexure Y
Restated Statement of Tax Shelters	Annexure Z

## 6. Auditor's Responsibility:

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 7. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- a. In the case of Restated Statement of Assets and Liabilities of the Company as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021;

- b. In the case of the Restated Statement of Profit and Loss of the Company for the period ended on December 31, 2023 & Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021;
- c. In the case of the Restated Cash Flow Statement of the Company for the period ended on December 31, 2023 & Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021.

**For M/s. Dave & Dave**  
**Chartered Accountants**  
**Firm's Registration No: 102163W**

**Sd/-**  
**CA Lilashankar Dave**  
**Partner**  
**Membership No. 042889**  
**Place: Mumbai**  
**Date: February 09, 2024**  
**UDIN: 24042889BKEMYX7445**



**SUMMARY OF FINANCIAL INFORMATION**

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

*(₹ in Lakhs)*

	<b>Particulars</b>	<b>Annexure</b>	<b>31.12.2023</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>I.</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	a) Property Plant and Equipment	A	1,407.03	1,271.99	978.66	-
	b) Capital work in progress		70.00	-	-	-
	<b>c) Financial Assets</b>		-	-	-	-
	i. Investments	B	0.55	5.45	5.04	-
	ii. Other Financial Assets	C	82.03	2.50	-	-
	<b>Total Non-Current Asset</b>		<b>1,559.61</b>	<b>1,279.94</b>	<b>983.71</b>	<b>-</b>
<b>2</b>	<b>Current assets</b>					
	a) Inventories	D	1,931.41	875.13	120.18	-
	<b>b) Financial Assets</b>					
	i. Trade receivables	E	1,618.74	804.98	291.55	-
	ii. Cash and cash equivalents	F	9.99	2.75	2.70	3.58
	iii. Loans		-	-	-	-
	iv. Other Financial Asset	G	20.77	72.88	-	-
	c) Other Current Assets	H	1,036.12	396.59	512.09	56.14
	<b>Total Current Asset</b>		<b>4,617.02</b>	<b>2,152.32</b>	<b>926.52</b>	<b>59.72</b>
	<b>TOTAL ASSETS</b>		<b>6,176.63</b>	<b>3,432.26</b>	<b>1,910.22</b>	<b>59.72</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Equity</b>					
	a) Equity Share Capital	I	901.12	811.01	811.01	1.00
	b) Other Equity	I	1,735.22	393.34	3.93	(0.37)
	<b>Total Equity</b>		<b>2,636.35</b>	<b>1,204.35</b>	<b>814.94</b>	<b>0.63</b>
	<b>LIABILITIES</b>					
<b>2</b>	<b>Non-current liabilities</b>					
	a) Financial Liabilities					
	i. Borrowings	J	1,346.51	1,162.71	769.68	-
	b) Provisions		3.75	2.34	1.08	0.13
	c) Deferred Tax Liabilities (Net)	K	6.48	7.21	7.73	-
	<b>Total Non-Current Liabilities</b>		<b>1,356.74</b>	<b>1,172.26</b>	<b>778.48</b>	<b>0.13</b>
<b>3</b>	<b>Current Liabilities</b>					
	a) <b>Financial Liabilities</b>					
	i. Borrowings	L	897.94	867.73	298.86	58.91

	<b>Particulars</b>	<b>Annexure</b>	<b>31.12.2023</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
	ii. Lease Liabilities		-	-	-	-
	iii. Trade Payable	M	-	-	-	-
	Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-	-	-
	Total Outstanding dues of creditors other than dues to Micro and Small Enterprises		1,084.42	90.72	0.53	0.05
	iv. Other Financial Liabilities	N	19.20	16.20	-	-
	b) Other Current Liabilities	O	40.00	9.86	17.41	-
	c) Provisions	P	141.99	71.13	0.00	0.00
	<b>Total Current Liabilities</b>		<b>2,183.54</b>	<b>1,055.64</b>	<b>316.80</b>	<b>58.96</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,176.63</b>	<b>3,432.26</b>	<b>1,910.22</b>	<b>59.72</b>

**For Dave & Dave  
Chartered Accountants**

*Sd/-*

**CA Lilashankar Dave  
Partner  
FRN: 102163W  
Membership No. 042889**

**For Indian Emulsifiers Limited**

*Sd/-*

**Yash Tikekar  
Chairman and Managing  
Director  
DIN: 02206485**

*Sd/-*

**Abhay Tikekar  
Whole Time Director  
DIN: 10425123**

**ANNEXURE – II: STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED**

*(₹ in Lakhs)*

Sr. No.	Particulars	Annexure	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>I</b>	Revenue from operations	Q	4,867.36	4,117.97	1,768.31	-
<b>II</b>	Other income	R	2.81	0.38	-	-
<b>III</b>	<b>Total Income</b>		<b>4,870.16</b>	<b>4,118.35</b>	<b>1,768.31</b>	<b>-</b>
<b>IV</b>	<b>Expenses</b>					
(a)	Cost of Material Consumed	S	3,555.99	3,239.89	1,450.21	-
(b)	Change in Inventory of Finished Goods & Work in progress	T	(137.52)	(225.72)	(87.56)	-
(c)	Employee Benefit Expense	U	40.53	51.40	97.30	0.13
(d)	Finance Cost	U.2	188.66	204.63	46.60	-
(e)	Depreciation and amortization expense	A	119.50	118.21	20.85	-
(f)	Other Expenses	V	289.12	266.22	228.87	0.24
	<b>Total Expenses</b>		<b>4,056.30</b>	<b>3,654.63</b>	<b>1,756.28</b>	<b>0.37</b>
<b>V</b>	<b>Profit Before Tax and Exceptional Items and tax</b>		<b>813.87</b>	<b>463.73</b>	<b>12.04</b>	<b>(0.37)</b>
<b>VI</b>	Exceptional Items		-	-	-	-
<b>VII</b>	<b>Profit Before Tax</b>		<b>813.87</b>	<b>463.73</b>	<b>12.04</b>	<b>(0.37)</b>
<b>VIII</b>	<b>Tax expense:</b>					
	Current tax		139.59	74.80	-	-
	Deferred tax		(0.73)	(0.52)	7.73	-
<b>IX</b>	<b>Profit For the Year</b>		<b>675.01</b>	<b>389.44</b>	<b>4.31</b>	<b>(0.37)</b>
<b>X</b>	<b>Other Comprehensive Income</b>		-	-	-	-
	Items that will not be reclassified to profit or loss		-	-	-	-
	(i) Remeasurement of gains/ (loss) on the defined benefit plans		0.04	(0.02)	(0.01)	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
<b>XI</b>	<b>Total Other Comprehensive Income</b>		<b>0.04</b>	<b>(0.02)</b>	<b>(0.01)</b>	<b>-</b>
<b>XII</b>	<b>Total Comprehensive Income</b>		<b>675.05</b>	<b>389.42</b>	<b>4.30</b>	<b>(0.37)</b>
<b>XIII</b>	<b>Earnings per equity share:</b>					
	(1) Basic		10.40	6.48	0.07	-
	(2) Diluted		8.66	4.80	0.05	-

**For Dave & Dave  
Chartered Accountants**

*Sd/-*

**CA Lilashankar Dave  
Partner  
FRN: 102163W  
Membership No. 042889**

**For Indian Emulsifiers Limited**

*Sd/-*

**Yash Tikekar  
Chairman and Managing  
Director  
DIN: 02206485**

*Sd/-*

**Abhay Tikekar  
Whole Time Director  
DIN: 10425123**

**ANNEXURE – III: STATEMENT OF STANDALONE CASH FLOW, AS RESTATED**

*(₹ in Lakhs)*

<b>Particulars</b>	<b>31.12.2023</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>A. Cash Flow from Operating activities</b>				
Profit / (Loss) Before Tax	813.90	463.70	12.02	(0.37)
Adjusted for:				
Depreciation	119.50	118.21	20.85	0.00
<b>Operating Profit Before Working Capital Changes</b>	<b>933.41</b>	<b>581.91</b>	<b>32.88</b>	<b>(0.37)</b>
<b>Working Capital Changes:</b>				
Inventories	(1056.28)	(754.95)	(120.18)	-
Trade Receivables	(813.76)	(513.43)	(291.55)	(56.14)
Other Current Assets	(639.53)	115.51	(455.95)	-
Other Financial Assets (Current)	52.11	(72.88)	-	-
Other Financial Assets (Non-Current)	(79.53)	(2.50)	-	-
Borrowings	30.21	568.87	239.95	58.91
Trade Payables	993.69	90.20	0.48	0.05
Other financial liabilities	3.00	16.20	-	-
Other Current Liabilities	102.41	(6.29)	18.36	0.13
<b>Cash Generated from Operation</b>	<b>(474.27)</b>	<b>22.63</b>	<b>(576.00)</b>	<b>2.58</b>
Direct Taxes Paid	139.59	(3.68)	-	-
<b>Net Cash from Operating activities (A)</b>	<b>(613.85)</b>	<b>18.95</b>	<b>(576.00)</b>	<b>2.58</b>
<b>B. Cash Flow from Investing activities</b>				
Purchase of Fixed Assets	(324.55)	(411.53)	(999.52)	0.00
Investment Made	0.00	(0.41)	(5.04)	0.00
Proceeds from investment redeemed	4.90	0.00	0.00	0.00
Loan Taken	183.80	393.04	769.68	0.00
<b>Net Cash from Investing activities (B)</b>	<b>(135.85)</b>	<b>(18.90)</b>	<b>(234.88)</b>	<b>0.00</b>
<b>C. Cash Flow from Financing activities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Investment in Fixed Deposits	0.00	0.00	0.00	0.00
Share Capital Infused	756.94	0.00	810.01	1.00
<b>Net Cash from Financing activities (C)</b>	<b>756.94</b>	<b>0.00</b>	<b>810.01</b>	<b>1.00</b>
<b>Net Increase / (Decrease) in cash &amp; Cash Equivalents (A+B+C)</b>	<b>7.24</b>	<b>0.05</b>	<b>(0.88)</b>	<b>3.58</b>
<b>Cash &amp; Cash Equivalents As at beginning of year</b>	<b>2.75</b>	<b>2.70</b>	<b>3.58</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents As at end of the year</b>	<b>9.99</b>	<b>2.75</b>	<b>2.70</b>	<b>3.58</b>

**For Dave & Dave  
Chartered Accountants**

*Sd/-*

**CA Lilashankar Dave  
Partner  
FRN: 102163W  
Membership No. 042889**

**For Indian Emulsifiers Limited**

*Sd/-*

**Yash Tikekar  
Chairman and Managing  
Director  
DIN: 02206485**

*Sd/-*

**Abhay Tikekar  
Whole Time Director  
DIN: 10425123**

**Annexure- A: Property, Plant and Equipments**  
As at 31.12.2023

(₹ in Lakhs)

Particulars	Land	Building	Plant and Machinery	Office Equipments	Furniture & Fixtures	Total
<b>Gross Carrying Value as on April 1, 2023</b>	182.69	398.10	821.78	6.39	2.09	1,411.05
Additions	-	120.52	129.19	2.94	1.90	254.55
Adjustments/ Transfer	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
<b>Gross Carrying Value as on December 31, 2023</b>	<b>182.69</b>	<b>518.62</b>	<b>950.96</b>	<b>9.34</b>	<b>3.98</b>	<b>1,665.59</b>
<b>Accumulated depreciation as on April 1, 2023</b>	-	46.54	88.73	3.44	0.35	139.06
Depreciation	-	25.70	91.84	1.44	0.53	119.50
Accumulated depreciation on deletions	-	-	-	-	-	-
<b>Accumulated depreciation as on December 31, 2023</b>	-	<b>72.24</b>	<b>180.57</b>	<b>4.88</b>	<b>0.88</b>	<b>258.56</b>
<b>Carrying Value as at April 1, 2023</b>	<b>182.69</b>	<b>351.56</b>	<b>733.04</b>	<b>2.96</b>	<b>1.74</b>	<b>1,271.99</b>
<b>Carrying Value as at December 31, 2023</b>	<b>182.69</b>	<b>446.38</b>	<b>770.39</b>	<b>4.46</b>	<b>3.11</b>	<b>1,407.03</b>

As at 31.03.2023

(₹ in Lakhs)

Particulars	Land	Building	Plant and Machinery	Office Equipments	Furniture & Fixtures	Total
<b>Gross Carrying Value as on April 1, 2022</b>	182.69	398.10	411.73	6.39	0.60	999.52
Additions	-	-	410.04	-	1.49	411.53
Adjustments/ Transfer	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
<b>Gross Carrying Value as on March 31, 2023</b>	<b>182.69</b>	<b>398.10</b>	<b>821.78</b>	<b>6.39</b>	<b>2.09</b>	<b>1,411.05</b>
<b>Accumulated depreciation as on April 1, 2022</b>	-	9.64	10.16	1.01	0.04	20.85
Depreciation	-	36.90	78.57	2.43	0.30	118.21
Accumulated depreciation on deletions	-	-	-	-	-	-
<b>Accumulated depreciation as on March 31, 2023</b>	-	<b>46.54</b>	<b>88.73</b>	<b>3.44</b>	<b>0.35</b>	<b>139.06</b>

Particulars	Land	Building	Plant and Machinery	Office Equipments	Furniture & Fixtures	Total
<b>Carrying Value as at April 1, 2022</b>	<b>182.69</b>	<b>388.46</b>	<b>401.57</b>	<b>5.39</b>	<b>0.56</b>	<b>978.66</b>
<b>Carrying Value as at March 31, 2023</b>	<b>182.69</b>	<b>351.56</b>	<b>733.04</b>	<b>2.96</b>	<b>1.74</b>	<b>1,271.99</b>

As at 31.03.2022

Particulars	Land	Building	Plant and Machinery	Office Equipments	Furniture & Fixtures	Total
<b>Gross Carrying Value as on April 1, 2021</b>	-	-	-	-	-	-
Additions	182.69	398.10	411.73	6.39	0.60	<b>999.52</b>
Adjustments/ Transfer	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
<b>Gross Carrying Value as on March 31, 2022</b>	<b>182.69</b>	<b>398.10</b>	<b>411.73</b>	<b>6.39</b>	<b>0.60</b>	<b>999.52</b>
<b>Accumulated depreciation as on April 1, 2021</b>						-
Depreciation	-	9.64	10.16	1.01	0.04	<b>20.85</b>
Accumulated depreciation on deletions	-					-
<b>Accumulated depreciation as on March 31, 2022</b>	<b>-</b>	<b>9.64</b>	<b>10.16</b>	<b>1.01</b>	<b>0.04</b>	<b>20.85</b>
<b>Carrying Value as at April 1, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Carrying Value as at March 31, 2022</b>	<b>182.69</b>	<b>388.46</b>	<b>401.57</b>	<b>5.39</b>	<b>0.56</b>	<b>978.66</b>



**Annexure- B: Investments***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Investment in Equity Instruments</b>				
<b>- measured at Cost</b>				
Janakalyan Sahakari Bank	0.40	5.30	5.04	-
Zororashtrian Bank	0.16	0.16	-	-
<b>Total</b>	<b>0.55</b>	<b>5.45</b>	<b>5.04</b>	<b>-</b>
Aggregate amount of Quoted Investment	-	-	-	-
Aggregate amount of Unquoted Investment	0.55	5.45	5.04	-
Market Value of Quoted Investments	-	-	-	-

**Annexure- C: Other Financial Assets***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Unsecured, Considered good</b>				
Security Deposit	-	2.50	-	-
Fixed Deposits with Bank or financial institution	-	-		
<b>Total</b>	<b>-</b>	<b>2.50</b>	<b>-</b>	<b>-</b>

**Note : 1 :** As per Ind AS 109 (Financial Instruments), Financial assets are defined as any asset that is (a) cash, (b) an equity instrument of another entity, (c) a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or (d) a contract that will or may be settled in entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of entity's own equity instruments or a derivative that will or may be settled other than by exchange of fixed amount of entity's own equity instruments.

Since the aforesaid security deposits are receivable in cash at the end of contract period therefore, they are considered as financial assets.

However, out of the above, deposits amounting to Rs. 4,90,100 are provided to the customers and will be refunded when the business operations are suspended or ended within the parties and since the period is uncertain and not decided within the parties therefore it is difficult to give the treatment as per Ind AS 32. Hence the same is recognised at cost.

Additionally, Ind AS 116, Lease, provides exclusions wherein a lessee can elect not to apply Ind AS 116's recognition requirements to- (a) Short term leases and (b) Leases for which underlying asset is of low value.

The aforesaid deposits include security deposit amounting to Rs. 2,00,000 which is in regards to warehouse taken on rent. The said agreement of rent is for shorter period i.e. 12 months therefore the same shall fall under the scope of exclusions of Ind AS 116 hence the security deposit will be recognised at cost and expense in relation to the same will be booked through Profit and Loss Account on straight line basis over the lease term.

Further, deposit amounting to Rs.4,00,000 is in regards to machinery taken on rent and would also fall under the scope of exclusion therefore the same is also recognised at cost.

**Annexure- D: Inventories***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>(As Valued &amp; Certified by the Management)</b>				
Raw Material and Intermediates	3,769.11	561.84	32.62	-
Work-In-Progress	-	-	-	-
Finished Goods	87.56	313.29	87.56	-
<b>Total</b>	<b>3,856.68</b>	<b>875.13</b>	<b>120.18</b>	<b>-</b>

**Annexure- E: Trade Receivables****As at 31.12.2023***(₹ in Lakhs)*

Particulars	Outstanding for following periods from due date of payment					
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>Trade receivables</b>						
- Secured, Considered Good	-	-	-	-	-	-
- Unsecured, Considered Good	1,618.74	-	-	-	-	1,618.74
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Less: Allowance for bad and doubtful debt	-	-	-	-	-	-
<b>Total</b>	<b>1,618.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,618.74</b>

As at 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
Trade receivables						
- Secured, Considered Good	-	-	-	-	-	-
- Unsecured, Considered Good	804.98	-	-	-	-	804.98
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Less: Allowance for bad and doubtful debt	-	-	-	-	-	-
<b>Total</b>	<b>804.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>804.98</b>

As at 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
Trade receivables						
- Secured, Considered Good	-	-	-	-	-	-
- Unsecured, Considered Good	291.55	-	-	-	-	291.55
- Having significant increase in credit risk	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-
Less: Allowance for bad and doubtful debt	-	-	-	-	-	-
<b>Total</b>	<b>291.55</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291.55</b>

#### Annexure- F: Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Balance with scheduled banks in current accounts	-	1.33	0.92	0.08
Cash in hand	9.24	1.42	1.78	3.50
Fixed Deposits with Banks & Others (maturity less than 3 months)	-	-	-	-
<b>Total</b>	<b>9.24</b>	<b>2.75</b>	<b>2.70</b>	<b>3.58</b>

#### Annexure- G: Other Financial Assets

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Interest Receivable on FDR	2.77	-	-	-

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Fixed Deposits	-	72.88	-	-
<b>Total</b>	<b>2.77</b>	<b>72.88</b>	-	-

**Annexure- H: Other Current Assets**

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Balance with revenue authorities	-	85.25	66.88	-
Advance to Supplier for Capital Goods & Others	-	302.13	445.21	25.63
Pre-Production Expenses	-	-	-	30.31
<b>Misc Expenditure (to the extent w/off)</b>				
Stamp Duty on Capital Raise	9.21	11.51	0.20	0.25
Less: 1/5 Amortised	-	(2.30)	(0.20)	(0.05)
Others	2.05	-	-	-
<b>Total</b>	<b>11.25</b>	<b>396.59</b>	<b>512.09</b>	<b>56.14</b>

## Annexure- I: Equity Share Capital

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Authorised</b>				
Equity Shares of Rs.10 each	1,400.00	601.00	601.00	1.00
Preference Shares of Rs. 100 each	-	210.01	210.01	-
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each fully Paid-up	901.12	601.00	601.00	1.00
Preference Shares of Rs. 100 each fully Paid-up	-	210.01	210.01	-
<b>Total</b>	<b>901.12</b>	<b>811.01</b>	<b>811.01</b>	<b>1.00</b>

The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The paid-up equity shares of the Company rank pari-passu in all respects including dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Convertible Preference Shares of Face value of Rs. 100/- on such terms and conditions including but not limited as to the rate of dividend, period and manner of redemption as the Board in its absolute discretion may determine for the purpose of augmenting the long-term resource base of the company. The said preference shares have been converted into equity capital in the current year 2023-24.

## Reconciliation of Number of Shares Outstanding

Particulars	31.12.2023		31.03.2023		31.03.2022		31.03.2021	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
<b>Equity Shares</b>								
Shares outstanding at the beginning of the year	60,10,000	601.00	60,10,000	601.00	10,000	1.00	-	-
Shares Issued during the year	30,01,222	300.12	-	-	60,00,000	600.00	10,000	1.00
Shares bought back during the year		-	-	-	-	-	-	-
Shares outstanding at the end of the year	90,11,222	901.12	60,10,000	601.00	60,10,000	601.00	10,000	0.00
<b>Preference Shares</b>								
Shares outstanding at the beginning of the year	21,00,100	210.01	21,00,100	210.01	-	-	-	-
Shares Issued during the year	-	-	-	-	21,00,100	210.01	-	-

Particulars	31.12.2023		31.03.2023		31.03.2022		31.03.2021	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Shares bought back during the year	-	-	-	-	-	-	-	-
Shares Converted into equity shares	21,00,100	210.01		-				
Shares outstanding at the end of the year	-	-	21,00,100	210.01	21,00,100	210.01	-	-

**Shares held by shareholders holding more than 5% shares**

Name of Shareholder	As At 31.12.2023		As At 31.03.2023		As At 31.03.2022		As At 31.03.2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Yash Tikekar	67,19,234	74.57%	30,69,900	51.08%	30,69,900	51.08%	-	0.00%
VRT Enterprises Pvt Ltd	-	-	29,40,100	48.92%	29,40,100	48.92%	9,900	99.00%

**Annexure- I.2: Other Equity***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
A. Securities Premium	666.83	-	-	-
B. General Reserve	-	-	-	-
C. Surplus	1,068.39	393.38	3.94	(0.37)
D. OCI	-	(0.04)	(0.01)	-
<b>Total</b>	<b>1,735.22</b>	<b>393.34</b>	<b>3.93</b>	<b>(0.37)</b>

**Annexure- J: Borrowings (Non-Current)***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Secured</b>				
<b>From Banks</b>				
Term Loan- Bank of India	980.77	683.94	-	-
Term Loan- Janakalyan Sahakari Bank	-	-	691.33	-
<b>Unsecured</b>				
From Directors & Share Holders	339.66	392.62	78.34	-
From NBFC	26.08	86.15	-	-
<b>Total</b>	<b>1,346.51</b>	<b>1,162.71</b>	<b>769.68</b>	<b>-</b>

Note- There is no borrowing measured at FVTPL or designated at FVTPL

**a. Nature of Security-****From Banks**

The term loan taken from Bank of India is secured against the factory- Land, Building and Plant and Machinery, etc located at E-10 Lote Parashuram Industrial Zone MIDC, Tal –Khed, Ratnagiri 415722

**From Related Party**

The directors and shareholders of the Company have provided the aforesaid interest free loan to the Company in accordance with the provisions of the Companies Act 2013.

**b. The Company has not made default in terms of repayment to loan from banks and financial institutions.****Annexure- K: Deferred Tax Liability***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Deferred Tax Liabilities arising on account of:</b>				
Depreciation and amortisation expenses	6.48	7.21	7.73	-
<b>Total</b>	<b>6.48</b>	<b>7.21</b>	<b>7.73</b>	<b>-</b>

**Annexure- L: Borrowings (Current)***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Secured</b>				
CC Account- Bank of India	897.94	761.04	-	-
CC Account- Janakalyan Sahakari Bank	-	-	283.30	-
Current maturities of term loan	-	106.69	-	-
<b>Unsecured</b>				
From Directors & Share Holders	-	-	15.57	58.91
<b>Total</b>	<b>897.94</b>	<b>867.73</b>	<b>298.86</b>	<b>58.91</b>

Note- There is no borrowing measured at FVTPL or designated at FVTPL

CC account is secured against the Factory - Land, Building, Machinery located at E-10 Lote Parashuram Industrial Zone MIDC, Tal –Khed, Ratnagiri 415722 and also the Current assets of the company.

**Annexure- M: Trade Payables****As at 31.12.2023***(₹ in Lakhs)*

Particulars	Outstanding for following periods from due date of payment				
	less than 1 year	1-2 years	2-3 years	more than 3 years	total
<b>Trade Payable</b>					
- MSME	-	-	-	-	-
- Other than MSME	1,084.42	-	-	-	1,084.42
- Disputed dues- MSME	-	-	-	-	-
- Disputed dues- other than MSME	-	-	-	-	-
- Others	-	-	-	-	-
<b>Total</b>	<b>1,084.42</b>	-	-	-	<b>1,084.42</b>

As at 31.03.2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	less than 1 year	1-2 years	2-3 years	more than 3 years	total
<b>Trade Payable</b>					
- MSME	-	-	-	-	-
- Other than MSME	90.72	-	-	-	90.72
- Disputed dues- MSME	-	-	-	-	-
- Disputed dues- other than MSME	-	-	-	-	-
- Others	-	-	-	-	-
<b>Total</b>	<b>90.72</b>	-	-	-	<b>90.72</b>

As at 31.03.2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	less than 1 year	1-2 years	2-3 years	more than 3 years	total
<b>Trade Payable</b>					
- MSME	-	-	-	-	-
- Other than MSME	0.53	-	-	-	0.53
- Disputed dues- MSME	-	-	-	-	-
- Disputed dues- other than MSME	-	-	-	-	-
- Others	-	-	-	-	-
<b>Total</b>	<b>0.53</b>	-	-	-	<b>0.53</b>

**Annexure- N: Other Financial Liabilities**

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Employees Liability	19.20	16.20	-	-
<b>Total</b>	<b>19.20</b>	<b>16.20</b>	-	-

**Annexure- O: Other Current Liabilities**

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Advance from customers	-	-	-	-
Duties and taxes	-	9.86	17.41	-
<b>Total</b>	-	<b>9.86</b>	<b>17.41</b>	-

**Annexure- P: Short Term Provisions**

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Provision for Income Tax	139.59	71.13	-	-
CSR Payable	2.39	-	-	-
Provision for Gratuity	0.01	0.01	0.00	0.00
<b>Total</b>	<b>141.99</b>	<b>71.13</b>	<b>0.00</b>	<b>0.00</b>

**Annexure- Q: Revenue from Operation***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Gross Revenue</b>				
Sale of Goods	4,864.49	4,116.62	1,763.01	-
Other Operating Revenue	2.87	1.36	5.31	-
<b>Total</b>	<b>4,867.36</b>	<b>4,117.97</b>	<b>1,768.31</b>	-

**Annexure- R: Other Incomes***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Interest on FDR	2.77	0.38	-	-
Interest on IT refund	0.04	-	-	-
<b>Total</b>	<b>2.81</b>	<b>0.38</b>	-	-

**Annexure- S: Cost of Material Consumed***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Raw Material at the Beginning of the Year	561.84	32.62	-	-
Add: Purchase during the year	4,474.76	3,769.11	1,482.83	-
Less: Raw Material at the End of the Year	1,480.60	561.84	32.62	-
<b>Total</b>	<b>3,555.99</b>	<b>3,239.89</b>	<b>1,450.21</b>	-

**Annexure- T: Changes in Inventory of Finished Goods & Work in Progress***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Stock at the Beginning of the Year	313.29	87.56	-	-
Stock at the End of the Year	450.80	313.29	87.56	-
<b>Total</b>	<b>(137.52)</b>	<b>(225.72)</b>	<b>(87.56)</b>	-

**Annexure- U: Employee Benefit Expenses***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Director's Remuneration	27.00	18.00	-	-
Salary to Staff	-	30.88	94.26	-
Gratuity	1.46	1.24	0.94	0.13
Contribution to Provident fund	5.13	-	-	-
Staff Welfare	2.36	1.29	2.10	-
<b>Total</b>	<b>35.96</b>	<b>51.40</b>	<b>97.30</b>	<b>0.13</b>

**Annexure- U.2: Finance Cost***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Bank Charges	8.89	73.31	13.47	-
Interest on Term Loan and CC	168.24	124.64	25.68	-
Interest on Unsecured Loan	11.52	6.68	-	-
Interest on ICD	-	-	7.45	-
<b>Total</b>	<b>188.66</b>	<b>204.63</b>	<b>46.60</b>	-



**Annexure- V: Other Expenses***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Manufacturing Expenses	144.01	154.30	96.70	-
Factory Expenses	68.29	69.94	69.38	-
Fees and other charges	-	-	1.30	-
Insurance Expenses	0.14	5.54	3.25	-
IT Expenses	1.30	0.68	0.83	-
Legal and Professional Expenses	45.53	11.45	26.33	0.14
License fees	0.07	5.42	1.99	-
CSR Expenses	2.39	-	-	-
Miscellaneous Expenses	0.00	6.36	0.08	-
Rent	13.46	0.36	2.50	-
Printing and Stationary	0.54	0.40	0.25	-
Travelling Expenses	-	1.61	5.85	-
Repair and Maintenance	10.59	5.27	16.59	-
Misc Expenditure to the extent w/off	-	2.30	0.20	0.05
Selling and Distribution Expense	2.58	2.29	3.31	-
Auditor's Remuneration	-	-	-	-
Statutory audit Fees	0.23	0.30	0.30	0.05
<b>Total</b>	<b>289.12</b>	<b>266.22</b>	<b>228.87</b>	<b>0.24</b>

**Annexure IV****1. CORPORATE INFORMATION**

The Company is engaged in the business of manufacturing of chemical.

**2. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

- The Financial statements have been prepared under the historical convention and on the accounting principles of going concern. Accounting policies not specifically referred to otherwise are in accordance with the generally accepted accounting principles and materially comply with the mandatory Ind AS issued by the Institute of Chartered Accountants of India.
- The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amount of income and expenses during the year. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.
- The Company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.
- The company is complying with the Indian Accounting-Standards (Ind-AS) issued by the ICAI, as per the requirements of the Companies Act, 2013.
- First Time Adoption of Ind AS**  
The Company has prepared the opening balance sheet as per Ind AS from 1st April 2022 ("the transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS required under Ind AS and applying Ind AS in restating its previous year GAAP financial statements.

**3. PROPERTY PLANT AND EQUIPMENT**

Expenditure of capital nature are capitalized at cost comprising of purchase price (net of GST, rebates and discounts)

and any other cost which is directly attributable to bring the assets to its working condition for the intended use. All Property, plant & Equipments are carried at cost less depreciation. But when an asset is scraped or otherwise disposed of, the cost and related depreciation are written off from the books of accounts and resultant profit or loss, if any is reflected in profit and loss account. The Company capitalized Inward Freight of Capital Asset at the end of month.

#### **4. DEPRECIATION**

The charge in respect of depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of the Company's assets are estimated by the management at the time the asset is acquired and reviewed at financial year end. Depreciation has been provided on the method and at the rates in the manner prescribed in schedule II to the Companies Act, 2013.

#### **5. FOREIGN EXCHANGE TRANSACTIONS**

All the Monetary assets and liabilities in foreign currencies are translated in Indian rupees at the exchange rates prevailing at the Balance Sheet date as notified. The resultant gain / loss is accounted for in the Profit & Loss account. The outstanding foreign exchange transactions are stated at the prevailing exchange rate as on the date of balance sheet. Items of Income and expenditure relating to foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions.

#### **6. INVENTORY VALUATION**

Stock of raw materials, stores & spares are valued at lower of purchase cost or net realizable value.

Finished goods are valued at cost of production or net realisable value whichever is less. Cost for the purpose of Valuation includes raw material consumption, manufacturing expenses and other appropriate overheads there on in accordance with IND AS-2 issued by ICAI.

#### **7. REVENUE RECOGNITION**

**Sales-** Revenue on Sale of is recognized on the basis of dispatches from factory gates.

**Interest Income-** Interest income is recognized as it accrues on a time proportion basis taking in to account the amount of investment and rate applicable.

#### **8. GST**

Liabilities for GST occur and accounted for as when the materials get dispatched.

#### **9. IMPAIRMENT OF ASSETS**

At the end of each year, the company determines whether a provision should be made for impairment loss on fixed Assets by considering the indications that impairment loss may have occurred and where the recoverable amount of any fixed asset is lower than the carrying amount, a provision for impairment loss on fixed assets is made for the difference. Recoverable amount is generally measured using discounted estimated cash flows. Post impairment, depreciation is provided on the revised carrying value of asset over its remaining useful life. Management is of the view that no such assets exists in the Company.

#### **10. TAXATION**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for Timing difference between the book profits and tax profits is recognized using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets arising from the timing differences are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

#### **11. EARNING PER SHARE**

Basic EPS is calculated by dividing the net profit for the year attributable to Equity Shareholders by the weighted Average number of equity shares outstanding during the year. The weighted average number of equity shares

outstanding the year is adjusted for events of bonus issue and share split.

For the purpose of calculating Diluted Earnings per Share, the Net Profit for the year attributable to Equity Shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The Company does not have any diluted equity shares at the year end.

## 12. PROVISION AND CONTIGENCIES

A Provision is recognized when the company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (including retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in profit & loss account but are disclosed in Notes to the Accounts.

## 13. BORROWING COST

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A Qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

## 14. RETIREMENT AND OTHER EMPLOYEE BENEFITS

### Defined Contribution Plan

Retirement benefits in the form of provident funds and pension schemes whether in pursuance of law or otherwise is accounted on accrual and charged to profit and loss account of the year basis.

### Defined Benefit Plan

Employees Benefit has been recognized as required in accordance with Ind AS 19 "Employee Benefits" on the basis of Actuarial valuation report for the period ended 31-12-2023 as annexed to the notes to accounts.

15. Retirement benefits in the form of Gratuity is considered as defined benefit obligation and provided on the basis of an actuarial valuation, using the projected unit method (PUC) as at the date of Balance Sheet.

### Salary and other short-term benefits

The salary and other short-term benefit i.e. Bonus etc. is being paid to the employees when it becomes due.

Actuarial assumptions in respect of provisions for gratuity and leave encashment at balance sheet date are as follows:

**Table 1: Assets and Liabilities**

<i>(₹ in Lakhs)</i>				
Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Defined Benefit Obligation	3.77	2.34	1.08	0.13
Fair Value of Plan Assets	-	-	-	-
Effect of Assets Ceiling if any	-	-	-	-
<b>Net Liability (Asset)</b>	<b>3.77</b>	<b>2.34</b>	<b>1.08</b>	<b>0.13</b>

**Table 2: Bifurcation Of Liability**

<i>(₹ in Lakhs)</i>				
Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Current Liability	0.01	0.01	0.00	0.00
Non-Current Liability	3.75	2.34	1.08	0.13
<b>Net Liability (Asset)</b>	<b>3.77</b>	<b>2.34</b>	<b>1.08</b>	<b>0.13</b>

**Table 3: Income/Expenses Recognized during the period**

<i>(₹ in Lakhs)</i>				
Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Employee Benefit Expense	1.46	1.24	0.94	0.13
Other Comprehensive Income	(0.04)	0.02	0.01	-

**Key Assumptions**

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Discount Rate	7.40% p.a.	7.45% p.a.	7.15% p.a.	6.85% p.a.
Salary Growth Rate	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Withdrawal Rates	Age 25 & Below: 10 % p.a.			
	25 to 35: 8 % p.a.			
	35 to 45: 6 % p.a.			
	45 to 55: 4 % p.a.			
	55 & above: 2 % p.a.			

**3.1: Funded status of the plan***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
	₹	₹	₹	₹
Present value of unfunded obligations	3.77	2.34	1.08	0.13
Present value of funded obligations	-	-	-	-
Fair value of plan assets	-	-	-	-
<b>Net Defined Benefit Liability/(Assets)</b>	<b>3.77</b>	<b>2.34</b>	<b>1.08</b>	<b>0.13</b>

**3.2: Profit and loss account for the period***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
	₹	₹	₹	₹
<u>Service cost:</u>				
Current service cost	1.33	1.16	0.93	0.13
Past service cost	-	-	-	-
loss/(gain) on curtailments and settlement	-	-	-	-
Net interest cost	0.13	0.08	0.01	-
<b>Total included in 'Employee Benefit Expenses/(Income)</b>	<b>1.46</b>	<b>1.24</b>	<b>0.94</b>	<b>0.13</b>

**3.3: Other Comprehensive Income for the period***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
	₹	₹	₹	₹
<b><u>Components of actuarial gain/losses on obligations:</u></b>				
Due to Change in financial assumptions	0.02	(0.09)	(0.04)	-
Due to change in demographic assumption	-	-	-	-
Due to experience adjustments	(0.06)	0.11	0.06	-
Return on plan assets excluding amounts included in interest income	-	-	-	-
<b>Amounts recognized in Other Comprehensive (Income)/Expense</b>	<b>(0.04)</b>	<b>0.02</b>	<b>0.01</b>	<b>-</b>

**3.4: Reconciliation of defined benefit obligation***(₹ in Lakhs)*

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
	₹	₹	₹	₹
Opening Defined Benefit Obligation	2.34	1.08	0.13	-
Transfer in/(out) obligation	-	-	-	-
Current service cost	1.33	1.16	0.93	0.13
Interest cost	0.13	0.08	0.01	-

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<u>Components of actuarial gain/losses on obligations:</u>				
Due to Change in financial assumptions	0.02	(0.09)	(0.04)	-
Due to change in demographic assumption	-	-	-	-
Due to experience adjustments	(0.06)	0.11	0.06	-
Past service cost	-	-	-	-
Loss (gain) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Liabilities assumed in an amalgamation in the nature of purchase				
Exchange differences on foreign plans				
Benefit paid from fund	-	-	-	-
Benefits paid by company	-	-	-	-
<b>Closing Defined Benefit Obligation</b>	<b>3.77</b>	<b>2.34</b>	<b>1.08</b>	<b>0.13</b>

## 16. Cashflow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts and payments. The cash flows from operating, investing and financing activities of the Company are segregated.

## 17. Contingent Liabilities not provided for:

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
--	Nil	Nil	Nil	Nil

## 18. Disclosure under Micro, Small and Medium Enterprises Development (MSMED) Act 2006\*

Amounts due to Small Scale Industrial undertakings and Micro, Small and Medium Enterprises Based on the information and records available with the Company, no amounts are payable to small scale industrial undertakings as at December 31, 2023, which are outstanding for more than 30 days.

Sr. No.	Particulars	Amount
1.	Delayed payments due as at the end of each accounting year on account of principal	NIL
2.	Total interest paid on all delayed payments during the year under the provision of the act	NIL
3.	Interest due on principal accounts paid beyond the due date during the year but without the interest amounts under this act	NIL
4.	Interest accrued but not due	NIL
5.	Total interest due but not paid	NIL

\* The company is in the process of compiling information on Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Act, 2006, and does not expect any material disclosures there under.

## 19. Earnings Per Share

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Net Profit/ (Loss) as per Profit & Loss Account	675.01	390.68	4.31	(0.37)
Weighted average number of equity shares outstanding during the year/period	64,90,223	60,10,000	60,10,000	10,000
Earnings Per Share	10.40	6.48	0.07	-

## 20. Auditor's remuneration

The Auditor's remuneration paid and provided during the year is as under:

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023
Statutory Audit Fees	0.15	0.15
Tax Audit Fees	0.08	0.15
Company Law Matter	-	-
<b>Total</b>	<b>0.23</b>	<b>0.30</b>

## 21. Material Adjustments in Restated Profit & Loss Account:

### Reconciliation of Restated Profit:

The reconciliation of Profit after tax as per audited financial statements and the Profit after tax as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit / loss of the company.

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
<b>Profit after tax as per audited/ re-audited financial statements</b>	675.01	390.68	5.25	(0.24)
<b>(i) Adjustments on account of change in accounting policies:</b>	-	-	-	-
<b>(ii) Other material adjustments:</b>	-	-	-	-
Employee benefit expenses - Gratuity	-	(1.26)	(0.95)	(0.13)
Depreciation and amortization expense	-	-	-	-
Finance cost	-	-	-	-
Income tax adjustments related to earlier years	-	-	-	-
Deferred tax adjustment	-	-	-	-
Preliminary Exps written off	-	-	-	-
<b>(iii) Audit Qualifications:</b>	-	-	-	-
<b>Restated profit after tax</b>	<b>675.01</b>	<b>389.42</b>	<b>4.30</b>	<b>(0.37)</b>

### (i) Reconciliation of Equity:

The reconciliation of Equity as per audited financial statements and Equity as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on Shareholder's funds of the company.

(₹ in Lakhs)

Particulars	As At 31.12.2023	As At 31.03.2023	As At 31.03.2022	As At 31.03.2021
<b>Shareholder's funds as per Audited/ Re-audited financial statements</b>	<b>2,636.35</b>	<b>1,206.70</b>	<b>816.02</b>	<b>0.76</b>
(i) Adjustments on account of change in accounting policies:	-	-	-	-
(ii) Differences carried over pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financial Statements	-	(1.08)	(0.13)	-
(iii) Differences pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financial Statements	-	(1.26)	(0.95)	(0.13)

Particulars	As At 31.12.2023	As At 31.03.2023	As At 31.03.2022	As At 31.03.2021
<b>(iv) Other material adjustments #:</b>	-	-	-	-
Employee benefit expenses	-	-	-	-
Depreciation and amortization expense	-	-	-	-
Finance cost	-	-	-	-
Income tax adjustments related to earlier years	-	-	-	-
Goodwill Written off	-	-	-	-
Deferred tax adjustment	-	-	-	-
Preliminary Expense Adjustment	-	-	-	-
<b>(v) Audit Qualifications:</b>	-	-	-	-
<b>Restated Shareholder's funds</b>	<b>2,636.35</b>	<b>1,204.35</b>	<b>814.94</b>	<b>0.63</b>

## 22. Corporate Social Responsibility:

The provisions of section 135 of Companies Act 2013 related to Corporate Social Responsibility are applicable to the company in the next year i.e. Financial Year 2024-25 wherein company will be required to spend during the next year however the provision has been made in the current year.

(₹ in Lakhs)

Particulars	Amount
Average profits of last 3 years	159.23
Prescribed CSR Expenditure (2% of average profit)	3.18
Provision (till December 31, 2023)	2.39

23. Previous Years figures have been regrouped and reclassified wherever necessary to confirm current years classification & groupings.

24. Balances of Sundry Creditors and Loans & Advances are subject to confirmation.

## 25. ADDITIONAL REGULATORY INFORMATION

With Regard to the Additional Regulatory Information as mandated under the Companies Act the following disclosures are made:

- The funds borrowed by the Company from Banks and financial institutions have been used for the specific purpose for which they were raised.
- The Company does not have any Benami property, and no proceeding has been initiated or is pending against the Company for holding any Benami property.
- All the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) title deeds are held in the name of the company and Company is the sole owner of these immovable properties.
- The Company has not revalued its Property, Plant and Equipments during the year.
- The Company has not granted any loans or advances to promoters, directors, KMPs or Related Parties either severally or jointly.

f. There is capital asset in progress as at the date of the balance sheet and whose ageing schedule is as follows-

CWIP	Amount in CWIP for a period of ( <i>₹ in Lakhs</i> )				Total  ( <i>₹ in Lakhs</i> )
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	70	-	-	-	70
Projects temporarily suspended	-	-	-	-	-

- g. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- h. The Company does not have any transactions with companies struck off.
- i. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- j. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- k. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- l. The Company has not issued any such type of security for a specific purpose.
- m. The Company has not proposed or declare dividend during the year.



**Ratios :**

Sr.no.	Ratios	2023-24 (as on 31.12.23)	2022-23	2021-22	2020-21	Ratio Formulae	Remarks
<b>1</b>	<b>Current Ratio</b>	<b>2.11</b>	<b>2.04</b>	<b>2.92</b>	<b>1.01</b>	Current Assets / Current Liabilities	Current Ratio of the company has been healthy all throughout the years and above the industry-wide accepted ratio of 1.33 times. The company is expected to better the said ratio in the coming years with better working capital management and better product mix.
	Current Asset	4,617.02	2,152.32	926.52	59.72		
	Current Liabilities	2,183.54	1,055.64	316.80	58.96		
	Variation	3.71%	(30.29%)	188.74%			
<b>2</b>	<b>Debt-Equity Ratio</b>	<b>0.51</b>	<b>0.97</b>	<b>0.94</b>	-	Long Term Debt / Equity Shareholders Fund	The company has been able to reduce the debt burden of the company consistently all throughout the years. With higher equity infusion and better profitability in the coming years the ratio is expected to be improving further more as well.
	Debt	1,347	1,163	770	-		
	Equity	2,636	1,204	815	0.63		
	Variation	(47.10%)	2.22%	-			
<b>3</b>	<b>Debt Service Coverage Ratio</b>	<b>0.83</b>	<b>0.68</b>	-	-	Earnings Available for debt service / Debt Service	Higher Profitability of the company and consistent endeavour of the company to reduce the debt burden in the financials resulted in the better servicing of the Debt.
	Earnings Available for Debt Service	1,122.03	787.80	79.49	(0.37)		
	Debt Service	1,346.51	1,162.71	769.68	-		
	Variation	22.98%	-	-	-		
<b>4</b>	<b>Return on Equity</b>	<b>25.61%</b>	<b>32.33%</b>	<b>0.53%</b>	<b>(58.65)%</b>	Profit after Tax / Equity Shareholders Fund	Increase in the equity infusion in the company resulted in reducing the return on equity. Despite the fact that profitability of the company has increased in the current year the higher the capital base resulted in the declining ratio as compared to the earlier years. The company however shall be endeavouring to achieve a meaningful increase in the return on the capital base in the coming quarters by focusing on the higher profitability.
	Net Profit after tax	675.05	389.42	4.30	(0.37)		
	Average Shareholders' equity	2,636.35	1,204.35	814.94	0.63		
	Variation	(20.81%)	6031.65%	100.90%	-		
<b>5</b>	<b>Inventory Turnover Ratio</b>	<b>0.75</b>	<b>1.26</b>	<b>3.38</b>	-	Cost of Goods Sold / Inventory	Due to the severe logistics issues which has had a major impact on the supply chain issues in the recent past has made the management carry a larger amount of inventory than earlier. The current Red Sea Logistics issue, in the earlier years the Suez Canal issue and also geo-political tensions resulted in the perception of the management to carry a higher level of inventory. Moreover as the prices of the inventory are on a rising mode the higher level of inventory carrying is not deterrent on the financial health of the company. However, as the situation eases the company shall
	Cost of Goods Sold	1,448.88	1,103.81	405.66	-		
	Inventory	1,931.41	875.13	120.18	-		
	Variation	(40.52%)	(62.63%)	-	-		

Sr.no.	Ratios	2023-24 (as on 31.12.23)	2022-23	2021-22	2020-21	Ratio Formulae	Remarks
							return to the earlier level of 3 times the inventory turnover in the coming quarters.
<b>6</b>	<b>Trade Receivable Turnover Ratio</b>	<b>4.02</b>	<b>7.51</b>	<b>12.13</b>	-	Credit Sales / Trade Receivables	The company has given a higher credit period to its customers in the current period resulted in the declining ratio. The liquidity conditions in the current period were very tight and coupled with higher competition resulted in company giving the higher credit period to its customers to retain the profitable customers and also to enhance its profitability. The company expects the ratio to improve significantly in the coming quarters.
	Net Credit Sales	4,867.36	4,117.97	1,768.31	-		
	Average Trade Receivables	1,211.86	548.26	145.77	-		
	Variation	(46.53%)	(38.08%)	-	-		
<b>7</b>	<b>Trade Payable Turnover Ratio</b>	<b>6.05</b>	<b>71.01</b>	<b>5,032.84</b>	-	Credit Purchase / Trade Payables	Trade Payable Ratio of 6 times in the current period is widely considered as the best in the industry scenario. The earlier year ratios are strictly not in comparison as the lower base of 2021 resulted in the lower Average Trade Payable in the financial year 2021-22 and consequently the higher ratio. However, in true sense as the company increased its turnover the Payable ratio also came to much more realistic one. The company is expected to continue with the same ratio in the coming quarters as well.
	Net Credit Purchases	3,555.99	3,239.89	1,450.21	-		
	Average Trade Payables	587.57	45.62	0.29	0.03		
	Variation	(91.48%)	(98.59%)	-	-		
<b>8</b>	<b>Net Capital Turnover Ratio</b>	<b>2.00</b>	<b>3.75</b>	<b>2.90</b>	-	Revenue from operations / Working Capital	Higher capital base in the current year resulted in the declining ratio. As company has kept a higher level of inventory to meet the market needs the working capital of the company has increased considerably in the current reporting period resulted in the higher capital base. In the coming quarters as the market conditions normalise the ratio shall improve significantly in the coming quarters.
	Net sales	4,867.36	4,117.97	1,768.31	-		
	Working Capital						
	Current Assets	4,617.02	2,152.32	926.52	59.72		
	Current Liabilities	2,183.54	1,055.64	316.80	58.96		
		<b>2,433.48</b>	<b>1,096.68</b>	<b>609.71</b>	<b>0.76</b>		
	Variation	(46.73%)	29.47%	-	-		
<b>9</b>	<b>Net Profit Ratios</b>	<b>13.87%</b>	<b>9.46%</b>	<b>0.24%</b>	<b>0.00%</b>	Net Profit / Turnover	Higher Profitability due to the better product mix resulted in the better ratios.
	Net Profit after tax	675	389	4	(0)		
	Net Sales	4,867	4,118	1,768	-		
	Variation	46.66%	3791.19%	-	-		
<b>10</b>	<b>Return on Capital Employed</b>	<b>38.03%</b>	<b>55.50%</b>	<b>7.19%</b>	<b>(58.65%)</b>	Earnings before Interest and Tax / Capital Employed	Higher Capital infusion resulted in the decline ratio despite the fact that profitability of the company increased significantly. also the ratio is one of the best in the industry and the company shall strive to maintain the said percentage in the coming quarters as
	<b>Earnings Before</b>	1,002.53	668.36	58.63	(0.37)		

Sr.no.	Ratios	2023-24 (as on 31.12.23)	2022-23	2021-22	2020-21	Ratio Formulae	Remarks
	<b>Interest and Tax</b>						well.
	<b>Capital Employed</b>						
	Share Capital	901.12	811.01	811.01	1.00		
	Reserves and Surplus	1,735.22	393.34	3.93	(0.37)		
	<b>Total</b>	<b>2,636.35</b>	<b>1,204.35</b>	<b>814.94</b>	<b>0.63</b>		
	Variation	(31.48%)	671.32%	112.27%	-		
<b>11</b>	<b>Return on Investments</b>	<b>10.93%</b>	<b>11.35%</b>	<b>0.22%</b>	<b>(0.62%)</b>	Profit after Tax / Total Assets	Higher Profitability due to the better product mix resulted in the better ratios.
	Profit After Tax	675.05	389.42	4.30	(0.37)		
	Total Assets	6,176.63	3,432.26	1,910.22	59.72		
	Variation	(3.67%)	4943.25%	136.34%	-		

**Annexure W: OTHER FINANCIAL INFORMATION**

(₹ in Lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Net Profit as Restated - (A)	675.01	389.44	4.31	(0.37)
Add: Depreciation	119.50	118.21	20.85	-
Add: Finance Cost	188.66	204.63	46.60	-
Add: Income Tax/ Deferred Tax	138.85	74.29	7.73	-
Less: Other Income	2.81	0.38	-	-
EBITDA	1,119.22	786.19	79.49	(0.37)
EBITDA Margin (%)	22.99	19.09	4.50	-
<b>Net Worth as Restated - (B)</b>	<b>2,636.35</b>	<b>1,204.35</b>	<b>814.94</b>	<b>0.63</b>
<b>Return on Net worth (%) as Restated (A/B)</b>	<b>25.60%</b>	<b>32.34%</b>	<b>0.53%</b>	<b>(58.65%)</b>
Profit After Tax (₹ in lakhs)	675.01	389.44	4.31	(0.37)
Equity Share at the end of year (in Nos.) - (C)	90,11,222	81,10,100	81,10,100	10,000
Weighted average number of equity shares outstanding as at year end for Basic EPS - (D)	64,90,223	60,10,000	60,10,000	60,10,000
Weighted average number of equity shares outstanding as at year end for Diluted EPS - (E)	77,96,994	81,10,100	81,10,100	81,10,100
Basic Earnings per Equity Share as Restated - (A/D)	10.40	6.48	0.07	(0.01)
Diluted Earnings per Equity Share as Restated - (A/E)	8.66	4.80	0.05	(0.00)
Net Asset Value per Equity share as Restated - (B/C)	29.26	14.85	10.05	6.30

**Notes: -**

1. The ratios have been Computed as per the following formulas:

(i) Basic Earnings per Share =  $\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$

(ii) Net Asset Value (NAV) per Equity Share =  $\frac{\text{Restated Net Worth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$

(iii) Return on Net worth (%) =  $\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Net Worth of Equity Share Holders}}$

- EBITDA represents Earnings (or Profit/ (Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses. Extraordinary and Exceptional Items have been considered in the calculation of EBITDA as they were expense items.
- Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.
- Earnings per share calculations are done in accordance with Ind AS-33 "Earning per Share", issued by the Institute of Chartered Accountants of India.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

**Annexure X : STATEMENT OF CAPITALISATION**

PARTICULARS	Pre-Issue 31.12.2023	Post- Issue 31.12.2023
<b>Debt</b>		
- Short Term Debt	897.94	-
- Long Term Debt	1,346.51	-
<b>Total Debt</b>	<b>2,244</b>	-
<b>Shareholders' Fund (Equity)</b>		
- Share Capital	901	-
- Reserves & Surplus	1,735	-
<b>Total Shareholders' Fund (Equity)</b>	<b>2,636.35</b>	-
<b>Long Term Debt / Equity (In Ratio)</b>	0.51	-
<b>Total Debt / Equity (In Ratio)</b>	0.85	-

**Annexure Y: Related Party Disclosure**

List of Related Party	Relation
<b>(i) Key Management Personnel</b>	
Yash Tikekar	Director
<b>(ii) Associate Concern</b>	
Chemical Brothers Private Limited	Associate Concern
YST Life Sciences Private Limited	Associate Concern
VRT Enterprises Private Limited	Associate Concern

(₹ in Lakhs)

Related Party Transaction:	2023-24 (till 31.12.23)	2022-23	2021-22	2020-21
<b><i>a) Key Management Personnel</i></b>				
Remuneration paid to Yash Tikekar	27.00	18.00	-	-
Unsecured Loan Taken	15.23	34.02	439.38	-
Unsecured Loan Repaid	0.28	0.29	173.57	-
<b>Balance Outstanding at The End of Year</b>				
Unsecured Loan	126.60	111.65	78.34	-
<b><i>b) Transaction with YST Lifesciences Pvt Ltd</i></b>				
Sales	457.01	220.00	107.45	-
Purchases	144.31	249.32	130.02	-
Technical Fees	-	46.32	-	-
<b>Balance Outstanding at The End of Year</b>				
Trade Payables	-	23.28	-	-
Trade Receivables	343.62	-	-	-
<b><i>c) Transaction with Chemical Brothers Enterprises Pvt Ltd</i></b>				
Sales	803.90	1,047.66	692.88	-
Purchases	374.96	784.14	575.85	-
Technical Fees	-	40.56	-	-
<b>Balance Outstanding at The End of Year</b>				
Advances to suppliers	-	2.04	-	-
Trade Payables	114.02	-	-	-
<b><i>d) Transaction with VRT Enterprises Pvt Ltd</i></b>				
Technology fees	-	19.90	19.87	-

<b>Related Party Transaction:</b>	<b>2023-24 (till 31.12.23)</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
Unsecured Loan Taken	267.34	339.17	15.57	-
Unsecured Loan Repaid	335.25	73.77	-	-
<b>Balance Outstanding at The End of Year</b>				
Unsecured Loan	213.06	280.97	15.57	-
Advances to Suppliers	-	-	6.29	-

**Annexure Z: RESTATED STATEMENT OF TAX SHELTER**

(₹ in Lakhs)

<b>Particulars</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Net Profit/(Loss) before taxes (A)	813.87	464.97	12.04	(0.37)
Tax Rate Applicable %	17.16%	17.16%	0.00%	0.00%
Minimum Alternate Taxes (MAT)				19.06%
<b>Adjustments</b>				
Add: Depreciation as per Companies act	119.50	118.21	20.85	-
Add: Disallowance under Income Tax Act, 1961		-	-	-
Less: Taxable under other heads of income		-	-	-
Less: Depreciation as per Income Tax Act, 1961	123.78	129.53	51.55	-
Less: Deductions under Income Tax Act, 1961				
Less: Deffered Tax Credit Adjusted for computation of Tax under 115JB of Income Tax Act				-
<b>Net Adjustments(B)</b>	<b>(4.27)</b>	<b>(11.32)</b>	<b>(30.70)</b>	<b>-</b>
<b>Business Income (A+B)</b>	<b>810</b>	<b>453.64</b>	<b>(18.66)</b>	<b>(0.37)</b>
Income from Capital Gains				
Sale Consideration	-	-	-	-
Less: Cost of Acquisition	-	-	-	-
Long/ Short Term Capital Gain	-	-	-	-
Less: Brought Forward Capital Gain	-	-	-	-
Income from Other Sources (Interest Income)	-	-	-	-
Interest on Income Tax Refund	-	-	-	-
Interest on security Deposit	-	-	-	-
Damages and claims received	-	-	-	-
Brought forward loss	-	17.72		
Gross Total/ Taxable Income	809.60	435.93	(18.66)	(0.37)
Less: Deductions U/S 80JJAA	-	-	-	-
<b>Net Total/ Taxable Income</b>	<b>809.60</b>	<b>435.93</b>	<b>(18.66)</b>	<b>(0.37)</b>
Unabsorbed Depreciation/loss carried forward	-	-	(18.66)	-
Tax Payable as per Normal Rate	138.93	74.80	-	-
Tax Payable as per Special Rate:	-	-	-	-
Interest payable on above	-	-	-	-
Tax as per Income Tax (C)	139.59	74.80	-	-
Adjusted Book Profits for Computation of MAT U/s 115JB				-
Tax Payable as per Minimum Alternate Tax U/S 115 JB of the Income Tax Act,1961	-	-	-	-
Interest Payable on above	-	-	-	-
Ta as per MAT (D)	-	-	-	-

<b>Particulars</b>	<b>As at 31.12.2023</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>Net Tax (Higher of C &amp; D)</b>	<b>139.59</b>	<b>74.80</b>	-	-
<b>Current tax as per restated Statement of Profit &amp; Loss</b>	<b>139.59</b>	<b>74.80</b>	-	-

*[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK]*

## OTHER FINANCIAL INFORMATION

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) Red Herring Prospectus (iii) Prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations, as derived from the Restated Financial Statements, are given below:

### *Statement of Accounting & Other Ratios, As Restated:*

(₹ in lakhs)

Particulars	31.12.2023	31.03.2023	31.03.2022	31.03.2021
Net Profit as Restated - (A)	675.01	389.44	4.31	(0.37)
Add: Depreciation	119.50	118.21	20.85	-
Add: Finance Cost	188.66	204.63	46.60	-
Add: Income Tax/ Deferred Tax	138.85	74.29	7.73	-
Less: Other Income	2.81	0.38	-	-
<b>EBITDA</b>	<b>1,119.22</b>	<b>786.19</b>	<b>79.49</b>	<b>-0.37</b>
<b>EBITDA Margin (%)</b>	<b>22.99%</b>	<b>19.09%</b>	<b>4.50%</b>	<b>-</b>
Net Worth as Restated - (B)	2,636.35	1,204.35	814.94	0.63
<b>Return on Net worth (%) as Restated (A/B)</b>	<b>25.60%</b>	<b>32.34%</b>	<b>0.53%</b>	<b>(58.65%)</b>
<b>Profit After Tax (₹ in lakhs)</b>	<b>675.01</b>	<b>389.44</b>	<b>4.31</b>	<b>(0.37)</b>
Equity Share at the end of year (in Nos.) - (C)	<b>90,11,222</b>	<b>81,10,100</b>	<b>81,10,100</b>	<b>10,000</b>
Weighted average number of equity shares outstanding as at year end for Basic EPS - (D)	64,90,223	60,10,000	60,10,000	60,10,000
Weighted average number of equity shares outstanding as at year end for Diluted EPS - (E)	77,96,994	81,10,100	81,10,100	81,10,100
<b>Basic Earnings per Equity Share as Restated - (A/D)</b>	<b>10.40</b>	<b>6.48</b>	<b>0.07</b>	<b>(0.01)</b>
<b>Diluted Earnings per Equity Share as Restated -(A/E)</b>	<b>8.66</b>	<b>4.80</b>	<b>0.05</b>	<b>0.00</b>
<b>Net Asset Value per Equity share as Restated - (B/C)</b>	<b>29.26</b>	<b>14.85</b>	<b>10.05</b>	<b>6.30</b>

#### **Note:**

1. *EBITDA Margin = EBITDA/Total Revenues*
2. *Net worth= Paid up share capital plus reserves and surplus less miscellaneous expenditure to the extent not written off*
3. *Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year*
4. *Return on Net worth (%) = Restated Profit after taxation / Net worth x 100*
5. *Net asset value/Book value per share (₹) = Net worth / No. of equity shares*
6. *The Company does not have any revaluation reserves or extra-ordinary items.*



## STATEMENT OF FINANCIAL INDEBTEDNESS

To,  
**Ekadrisht Capital Private Limited**  
1102, Summit Business Bay, Andheri Kurla Road,  
Chakala, Andheri East, Mumbai 400 093,  
Maharashtra, India.  
(the “**Book Running Lead Manager**”)

Dear Sir,

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Indian Emulsifiers Limited and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on December 31, 2023 are mentioned below:

### A. SECURED LOANS

#### STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

Name of Lender	Purpose	Sanction Amount (₹ in Lakhs)	Rate of Interest	Securities Offered	Re-Payment	Outstanding as on 31.12.2023 (₹ in Lakhs)
Bank of India	Term Loan	680	10.70%	Charge on Fixed assets	Repayable in 75 equal monthly instalments of ₹5.33 lakhs	617.18
Bank of India	Term Loan	400	10.70%	Hypothecation of Plant & Machinery	Repayable in 84 equal monthly instalments of ₹11.92 lakhs	363.58
Bank of India	Cash Credit	900	10.70%	Hypothecation of Stocks and book Debts	Repayable on Demand	897.94

**Note:**

**Assets on which Charge is created:**

- EQM of Factory Land & Building located at Plot no. E-10, Lote Parshuram Industrial Zone (MIDC), Tal Khed, Dist Ratnagiri, 415 722, Plot Area 4050 Sq mtr, Constructed Area: 2202 86 sq mtr (Built-up) Owned by the company.
- Plant and machinery installed at Industrial premise of the company, situated at above said location, other than that purchased out of Term Loan being taken over i.e., purchased out of own funds.

### B. UNSECURED LOANS

Name of Lender	Purpose	Rate of Interest	Re-Payment	Outstanding as on 31.12.2023 (₹ in Lakhs)
Credbot Technologies LLP	Business Loan	Nil	Repayable on Demand	10.48
Ugro Capital Limited	Business Loan	26%	Repayable in 24 equal monthly instalments of ₹1.09 lakhs	15.60
Yash Tikekar	Business Loan	Nil	NA	126.60
VRT Enterprises Private Limited	Business Loan	Nil	NA	213.06

This certificate may be relied upon by the Book Running Lead Managers appointed in relation to the Issue. We hereby give our consent to include extracts of this certificate and being used in the Red Herring Prospectus/Prospectus in connection with the Issue and for submission to the Securities Exchange Board of India, relevant stock exchanges and any other authority as may be required. We further give my consent for the aforementioned details being included for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable laws.

For, M/s. Dave & Dave

**Chartered Accountants**  
FRN: 102163W

**SD/-**

**CA Lilashankar Dave**  
**Partner**  
**Membership No.:** 042889  
**UDIN:** 24042889BKEMYY4369

Date: February 09, 2024  
Place: Mumbai

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## CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Financial Statements as at December 31, 2023, and as adjusted for the Issue. This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Restated Financial Information” and “Risk Factors” beginning on page no. 209, 169 and 24 respectively of this Red Herring Prospectus.

### **Standalone Statement of Capitalization, As Restated:**

(₹ in Lakhs)

Particulars	Pre-Issue	Post Issue*
	31.12.2023	
<b>Borrowing:</b>		
Long Term Debt	897.94	[●]
Short Term Debt	1,346.51	[●]
<b>Total Debt</b>	2,244.45	[●]
<b>Shareholders’ Fund:</b>		
Equity Share Capital	901.12	[●]
Reserves and Surplus	1,730.71	[●]
Less: Misc Expenses	-	[●]
<b>Total Shareholders’ Fund</b>	2,631.83	[●]
Long Term Debt/Shareholders’ Fund	0.51	[●]
Total Debt/Shareholders’ Fund	0.85	[●]

\*The Corresponding post issue figure are not determinable at this stage, due to pendency of public issue, hence not furnished.

### **Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months and includes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than short term Debts as defined above excluding installment of term loans repayable within 12 months grouped under short term borrowings

The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.12.2023

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations for the period ended on December 31, 2023 and for the Fiscal Years 2023, 2022, and 2021 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled "Restated Financial Statements" beginning on page no. 169 of this Red Herring Prospectus. Our Restated Financial Statements have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our financial statements are prepared in accordance with IND-AS.*

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Red Herring Prospectus. You should also read the section titled "Risk Factors" beginning on page no. 24 of this Red Herring Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Indian Emulsifier Limited, our Company. Unless otherwise indicated, financial information included herein are based on our "Restated Financial Statements" for the period ended on December 31, 2023 and for the Financial Years 2023, 2022, and 2021 included in this Red Herring Prospectus beginning on page no. 169 of this Red Herring Prospectus.*

*Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our Company was originally incorporated as Private Limited, under the Companies Act, 2013 ("**Companies Act**") in the name and style of "*Indian Emulsifier Private Limited*" on December 05, 2020 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Later on, company was converted into public limited company, the name of our Company was changed to "*Indian Emulsifier Limited*" and fresh Certificate of Incorporation dated January 05, 2024 was issued by the Registrar of Companies, Mumbai, Maharashtra.

Our Promoter Yash Tikekar laid down the foundation of our company in the year 2020 as a Private Limited in the name of "*Indian Emulsifier Private Limited*" with a vision to become a pioneer specialty chemicals manufacturer with a focus on tailor-made solutions to meet customers' diverse requirements, as we believe that Chemistry Drives Performance.

The Company was incorporated with the objective of Manufacturing and Supplying of Specialty Chemicals i.e., Esters, Amphoterics, Phosphate Esters, Imidazolines, Wax Emulsions, SMO & PIBSA Emulsifiers. The Company has its manufacturing plant at Plot No. E-10 MIDC, Lote Parshuram, Tal. Khed, Ratnagiri 415 722, Maharashtra, India since inception. The facility has a production capacity of 4,800 metric tons per annum as on March 31, 2023 and 3,600 MT per annum for the period ended December 31, 2023\*, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. and its Registered office at Shop 206, Floor 2, Sumer Kendra, Shivram Seth, Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India. The Company was formed with a vision to become a pioneer specialty chemicals manufacturer.

The Company got ISO Certified in the year 2021 as ISO 9001:2015. We are manufacturing the Specialty chemicals industry, with a focus on Esters, Phosphate Esters, Imidazolines, Succinimides, Sulfosuccinates, Specialty Emulsifiers and formulated products. Our Company serve specialty chemicals to wide range of industries such as Mining, Textile, Cleaning Industry, PVC (Poly Vinyl Chloride)/ Rubber, Personal Care, Food and Other Industries.

The manufacturing facility has a production capacity of 4,800 metric tons per annum the capacity has been increased from 2400 MT per annum to 4,800 MT per annum due to additional Reactors installed, equipped with process control, innovative R&D centre, Quality Control and Application Laboratories. Operations at the facility are managed by an able and motivated team of highly qualified technical personnel, having expertise in their individual fields. Multipurpose facility designed to have a high degree of flexibility to meet customer needs. Multiple high-pressure stainless-steel reactors equipped to deliver yields from 100 Kg to 8,000 kg per batch providing high level of flexibility. The facility can carry out reactions at temperatures ranging from 10 C to 250 C and pressure 5 kg to 8kg/cm, the reactors are equipped with condenser, vacuum arrangement and receiver and high speed stirred reactor.

For more details, please see the chapter titled, “Our Management” and “Our Promoters and Promoter Group” beginning on page no. 146 and 161 of this Red Herring Prospectus.

## KEY PERFORMANCE INDICATORS OF OUR COMPANY\*

### As per Restated Financial Statements

(₹ in Lakhs)

Key Financial Performance	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Revenue from Operations <sup>(1)</sup>	4,867.36	4,117.97	1,768.31	-
EBITDA <sup>(2)</sup>	1119.22	786.19	79.49	(0.37)
EBITDA Margin (%) <sup>(3)</sup>	22.99%	19.09%	4.50%	-
PAT	675.01	389.44	4.31	(0.37)
PAT Margin (%) <sup>(4)</sup>	13.87%	9.46%	0.24%	-
Return on equity (%) <sup>(5)</sup>	25.61%	32.33%	0.53%	(58.65%)
Return on capital employed (%) <sup>(6)</sup>	38.03%	55.50%	7.19%	(58.65%)
Debt-Equity Ratio (times) <sup>(7)</sup>	0.51	0.97	0.94	-
Net fixed asset turnover ratio (times) <sup>(8)</sup>	3.46	3.24	1.81	-
Current Ratio (times) <sup>(9)</sup>	2.11	2.19	2.92	1.01
Net profit ratio (%) <sup>(10)</sup>	13.87%	9.46%	0.24%	-

\*As certified by M/s Dave & Dave, Chartered Accountants, by way of their certificate dated February 09, 2024.

### Notes

1. 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.
2. EBITDA provides information regarding the operational efficiency of the business.
3. EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
4. PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
5. Return on equity (ROE) is a measure of financial performance.
6. Return on capital employed is a financial ratio that measures our company's profitability in terms of all of its capital.
7. Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers.
8. Net fixed asset turnover ratio is indicator of the efficiency with which our company is able to leverage its assets to generate revenue from operations.
9. The current ratio is a liquidity ratio that measures our company's ability to pay short-term obligations or those due within one year.
10. Net Profit Margin (also known as “Profit Margin” or “Net Profit Margin Ratio”) is a financial ratio used to calculate the percentage of profit our company produces from its total revenue.

## SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2023

Except as mentioned below, In the opinion of the Board of Directors of our Company, since December 31, 2023, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

1. The Board of the Company has approved to raise funds through Initial Public Offering in their meeting held on January 06, 2024.
2. The Board of the Company has approved the appointment of M/s Dave and Dave, Chartered Accountants as the Peer Reviewed Statutory Auditor of the Company in their meeting held on January 06, 2024.
3. The members of the Company approved proposal of Board of Directors to raise funds through initial public offering in the EGM held on January 09, 2024.
4. The members of the Company approved the appointment of M/s Dave and Dave, Chartered Accountants as the Peer Reviewed Statutory Auditor of the Company in the EGM held on January 09, 2024.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial performance and results of operations are influenced by a number of important factors, some of which are beyond our control, including without limitation, intense global and domestic competition, general economic conditions, changes in conditions in the regional markets in which we operate, changes in costs of raw materials and supplies, COVID-

19-related effects on global and domestic economic conditions, and evolving government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled “*Risk Factors*” beginning on page no. 24 of this Red Herring Prospectus.

Our Company’s future results of operations could be affected potentially by the following factors:

1. Brand image and changing consumer preference;
2. Our failure to keep pace with rapid changes in technology;
3. Our ability to meet our further capital expenditure requirements;
4. Fluctuations in operating costs;
5. Our ability to successfully execute our growth strategies;
6. Competition and price cutting from existing and new entrants;
7. General economic and market conditions; and
8. Change in laws, government policies and regulations that apply to the industry in which our Company operate;
9. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
10. Company’s ability to successfully implement its growth strategy and expansion plans;
11. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
12. Inability to successfully obtain registrations in a timely manner or at all;
13. Occurrence of Environmental Problems & Uninsured Losses;
14. Conflicts of interest with affiliated companies, the promoter group and other related parties.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure IV of “*Restated Financial Statements*” beginning on page no. 169 of this Red Herring Prospectus.

## DISCUSSION ON RESULT OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period December 31, 2023 and for the financial years ended on March 31, 2023, 2022 and 2021.

(₹ in Lakhs)

Particulars	December 31, 2023	% of Total	March 31, 2023	% of Total	March 31, 2022	% of Total	March 31, 2021	% of Total
<b>Income</b>								
Revenue from operations	4,867.36	99.94%	4,117.97	99.99%	1,768.31	100.00%	-	-
Other income	2.81	0.06%	0.38	0.01%	-	0.00%	-	-
<b>Total Revenue (A)</b>	<b>4,870.16</b>	<b>100.00%</b>	<b>4,118.35</b>	<b>100.00%</b>	<b>1,768.31</b>	<b>100.00%</b>	-	-
<b>Expenditure</b>								
Cost of Material Consumed	3,555.99	73.02%	3,239.89	78.67%	1,450.21	82.01%	-	-
Change in Inventory of Finished Goods & Work In Progress	(137.52)	(2.82%)	(225.72)	(5.48%)	(87.56)	(4.95%)	-	-
Employee Benefit Expense	40.53	0.83%	51.40	1.25%	97.30	5.50%	0.13	-
Finance Cost	188.66	3.87%	204.63	4.97%	46.60	2.64%	-	-
Depreciation and amortization expense	119.50	2.45%	118.21	2.87%	20.85	1.18%	-	-
Other Expenses	289.12	5.94%	266.22	6.46%	228.87	12.94%	0.24	-
<b>Total Expenses (B)</b>	<b>4,056.30</b>	<b>83.29%</b>	<b>3,654.63</b>	<b>88.74%</b>	<b>1,756.28</b>	<b>99.32%</b>	<b>0.37</b>	-
<b>Profit Before Tax</b>	<b>813.87</b>	<b>16.71%</b>	<b>463.73</b>	<b>11.26%</b>	<b>12.04</b>	<b>0.68 %</b>	<b>(0.37)</b>	-
Tax expense:								
Current tax	139.59	2.87%	74.80	1.82%	-	0.00%	-	-
Deferred tax	(0.73)	(0.02%)	(0.52)	(0.01%)	7.73	0.44%	-	-

Particulars	December 31, 2023	% of Total	March 31, 2023	% of Total	March 31, 2022	% of Total	March 31, 2021	% of Total
Net Tax Expense / (Benefit)	138.85	2.85%	74.29	1.80%	7.73	0.44%	-	-
Profit For the Year	675.01	13.87 %	389.44	9.46%	4.31	0.24%	(0.37)	

**Revenue from operations:**

Revenue from operations mainly consists of revenue from sale of manufactured and sale of speciality chemicals.

**Other Income:**

Other income primarily comprises of interest on FDR and income tax return

**Total Expenses:**

Total expenses consist of operating cost like Cost of Material consumed, Change in inventories of finished goods, work in progress and stock in trade, Employee benefits expense, Finance costs, Depreciation and amortization expenses and other expenses

**Cost of Material consumed**

Cost of Material consumed expenses primarily comprises of Purchase of raw material, and change in stock of raw material.

**Change in inventories of finished goods, work in progress and stock in trade**

Change in inventories of finished goods, work in progress and stock in trade comprises of increase/ (decrease) in stock of finished goods.

**Employee benefits expense:**

Employee benefits expense primarily comprises of Salaries, wages & bonus expenses, Staff welfare expenses, labour welfare fund and Employers Contribution to PF and Gratuity.

**Finance Costs:**

Our finance cost includes Interest expenses and Bank charges.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on land, building, plant & machinery, furniture and fixtures and office equipment

**Other Expenses:**

Other Expenses consists of manufacturing expenses, factory expenses, fees and other charges, insurance expenses, IT expenses, legal and professional expenses, license fees, rent, printing and stationary, travelling expenses, repair and maintenance, selling and distribution expense, auditor fees and miscellaneous expenditure

**Rational for Substantial Increase in PAT Margin: -**

As per the restated financials, Profit after Tax (PAT) has increased from 4.31 lakhs in FY 2022 to 389.44 lakhs in FY 2023 and 675.01 lakhs in Stub period December 2023. Notably, this substantial increase in PAT has occurred due to corresponding substantial increase in revenue from operations. The reason for spike in sales is that the company's portfolio earlier comprised of only 8-10 products. However, subsequent to strategic expansions, the company diversified its operations to encompass 45 to 50 products. This diversification in products catalyzed a surge in the company's order book and consequently Revenue from operations.

Due to the diversification in products, the company was able to optimize its manufacturing resources and operate with higher efficiency resulting in a higher gross margins on products sold and lower fixed cost of manufacturing. The Factory and Manufacturing Factory expenses as a percentage to revenue drastically fell from 9.39% in Fiscal year 2021-22 to 5.45% in Fiscal year 2022-23 and 4.36% in period ended December 2023. This resulted in higher PAT margins for the company.

Further, the factory capacity utilisation of the company has substantially increased to 2176 MT/PA for FY 2023 from 943.72 MT/PA in FY 2022. The Gross Revenue of the company has increased by 2.3 times and did not result in substantial increase in fixed expenses of the company. Factory Expense includes Factory rental, Factory staff salary, Security expense & other Factory expenses (consumables, repairs and maintenance) along with selling and distribution expense which are in the nature of fixed expenses. The substantial savings on fixed expenses due to increase in turnover of the company is one of the reason for substantial profits in FY 2023 as compared to FY 2022.

As operations in the specialty chemical industry have improved, there has been a noticeable expansion in the product basket to incorporate higher-margin, more specialized products. This shift represents a strategic evolution towards catering to niche markets and maximizing profitability, departing from earlier offerings that were less specialized and yielded lower margins.

Post Covid, there was a volatility in the prices of raw materials, and there was a sharp decrease in certain chemical items like Molten Phenol, Styrene Monomer, etc. which was acquired at lower prices which is also a contributing factor for increasing Profit after tax (PAT).

## **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED DECEMBER 31, 2023**

### **Total Income:**

Total income for the period ended December 31, 2023 stood at ₹4870.16 Lakhs. The total income consists of revenue from operations and other income.

### **Revenue from Operations**

During the period ended December 31, 2023 the net revenue from operation of our Company was ₹4867.36 Lakhs from sale of manufactured speciality chemicals.

### **Other Income:**

During the period ended December 31, 2023 the other income of our Company stood at ₹2.81 Lakhs. The main components of the other income are from interest on FDR and income tax return

### **Total Expenses**

Total expenses consist of cost like cost of material consumed, change in inventories of finished goods, work in progress and stock in trade, employee benefits expense, finance costs, depreciation and amortization expenses and other expenses. During the period ended December 31, 2023 the total expenses of our Company stood at ₹4056.30 Lakhs.

### **Cost of Material consumed**

During the period ended December 31, 2023 the Cost of Material consumed expenses of our Company stood at ₹3555.99 Lakhs. Our Cost of Material consumed expenses primarily comprises of Purchase of material and other attributable costs related to purchase of raw material.

### **Change in inventories of finished goods and work in progress**

During the period ended December 31, 2023 Change in inventories of finished goods, work in progress and stock in trade of our Company stood at ₹(137.52) Lakhs. Our Change in inventories of finished goods, work in progress and stock in trade comprises of increase/(decrease) in finished goods.

### **Employee benefits expense:**

During the period ended December 31, 2023 the employee benefits expenses of our Company stood at ₹40.53 Lakhs. The main components of Salaries, wages & bonus expenses, Staff welfare expenses, labour welfare fund and Employers Contribution to PF and Gratuity.

### **Finance Costs:**

During the period ended December 31, 2023 the finance cost expenses of our Company stood at ₹188.66 Lakhs. Our finance cost includes Interest expenses and Bank charges

### **Depreciation and Amortization Expenses:**



During the period ended December 31, 2023 the Depreciation and amortization charges of our Company stood at ₹119.50 Lakhs, during the period the company has capitalized the fixed assets amounting to ₹249.71 lakhs including Land, plant and machinery.

**Other Expenses:**

During the period ended December 31, 2023, the Other Expenses of our Company stood at ₹289.12 Lakhs Other Expenses consists of manufacturing expenses, factory expenses, fees and other charges, insurance expenses, IT expenses, legal and professional expenses, license fees, rent, printing and stationery, travelling expenses, repair and maintenance, selling and distribution expense, auditor fees and miscellaneous expenditure.

**Restated Profit before tax:**

The Company reported Restated profit before tax for period ending December 31, 2023 of ₹813.87 Lakhs.

**Restated profit after tax:**

The Company reported Restated profit after tax for period ending December 31, 2023 of ₹675.01 Lakhs.

**FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022**

**Total Income:**

Total income for the financial year 2022-23 stood at ₹4,118.35 Lakhs whereas in Financial Year 2021-22 the same stood at ₹1768.31 Lakhs representing an increase of 132.90%. The main reason of increase was increase in the volume of business operation of the company.

**Revenue from Operations**

During the financial year 2022-23 the net revenue from operation of our Company increased to ₹4117.97 Lakhs as against ₹1768.31 Lakhs in the Financial Year 2021-22 representing an increase of 132.88%.

**Other Income:**

During the financial year 2022-23 the other income of our Company was to ₹37,949 as against NIL in the Financial Year 2021-22 representing an increase of 100% which was due to impact of interest on FDR and interest on IT refund.

**Total Expenses:**

The total expense for the financial year 2022-23 increased to ₹3,654.63 Lakhs from ₹1,756.28 lakhs in the Financial Year 2021-22 representing an increase of 108.09%. Such increase was due to increase in business operations of the Company.

**Cost of material consumed:**

The Cost of material consumed for the financial year 2022-23 increased to ₹3,239.88 lakhs from ₹1,450.21 lakhs in the Financial Year 2021-22 representing an increase of 123.41%. Such increase was due to increase in business operations of the Company.

**Change in inventories of finished goods and work in progress:**

The closing inventories of finished goods and work in progress for the financial year 2022-23 was ₹(225.72) lakhs as compared to ₹(87.56) lakhs in the Financial Year 2021-22 representing a increase in change in inventories of 157.79%.

**Employee benefits expense:**

Our Company has incurred ₹51.40 Lakhs as Employee benefits expense during the financial year 2022-23 as compared to ₹97.30 Lakhs in the financial year 2021-22. The decrease of 47.17% was due to decrease in (i) Salary to Staff from ₹94.26 lakhs to ₹48.88 lakhs; and (ii) Staff Welfare from ₹2.10 lakhs in financial year 2021-22 as compared to ₹1.29 lakhs in the financial year 2022-23.

**Finance Cost:**

Our Company has incurred ₹204.63 Lakhs as finance cost during the financial year 2022-23 as compared to ₹46.60 Lakhs in the financial year 2021-22. The increase of 339.16% was due to increase in borrowings during the latter half of FY 2022.

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at ₹118.21 Lakhs as against ₹20.85 Lakhs during the financial year 2021-22. The increase in depreciation was around 466.83% which was due to purchase of Building, Plant & Machinery, Office Equipments and Furniture & Fixtures.

#### **Other Expenses:**

Our Company has incurred ₹266.22 Lakhs during the Financial Year 2022-23 on other expenses as against ₹228.87 Lakhs during the financial year 2021-22. There was an increase of 16.32% mainly due (i) increase in manufacturing expense by 59.57% from ₹96.70 lakhs in financial year 2021-22 to ₹154.30 lakhs in financial year 2022-23, (ii) increase in insurance expense by 70.55% from ₹3.25 lakhs in financial year 2021-22 to ₹5.54 lakhs in financial year 2022-23, (iii) increase in Miscellaneous expenses from ₹0.08 lakhs in financial year 2021-22 to ₹6.36 lakhs in financial year 2022-23.

#### **Restated profit before tax:**

Net profit before tax for the financial year 2022-23 increased to ₹463.73 Lakhs as compared to ₹12.04 Lakhs in the financial year 2021-22. The increase of 3752.34% was majorly due to factors as mentioned above.

#### **Restated profit for the year:**

As a result of the foregoing factors, our profit after tax for the year increase by 8932.43% from net profit of ₹4.31 Lakhs in in financial year 2021-22 to net profit ₹389.44 lakhs in financial year 2022-23.

### **RELATED PARTY TRANSACTIONS**

Related party transactions with certain of our promoter, directors and their entities and relatives primarily relate to remuneration, salary, commission and issue of Equity Shares. For further details of related parties kindly refer chapter titled “*Restated Financial Statements*” beginning on page no. 169 of this Red Herring Prospectus.

### **OFF-BALANCE SHEET ITEMS**

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

### **QUALIFICATIONS OF THE STATUTORY AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS**

There are no qualifications in the audit report that require adjustments in the Restated Financial Statements.

### **QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

#### ***Financial Market Risks***

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

#### ***Interest Rate Risk***

Our financial results are subject to changes in interest rates, which may affect our debt service obligations in future and our access to funds.

#### ***Effect of Inflation***

We are affected by inflation as it has an impact on the salary, wages, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

#### ***Credit Risk***

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

## OTHER MATTERS

### **Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution.**

Except as disclosed in chapter titled “*Restated Financial Statements*” beginning on page no. 169 of this Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

### **Unusual or infrequent events or transactions**

Except as described in this Red Herring Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered “unusual” or “infrequent”.

### **Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations**

Indian rules and regulations as well as the overall growth of the Indian economy have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations. There are no significant economic changes that materially affected our Company’s operations or are likely to affect income from continuing operations except as described in chapter titled “*Risk Factors*” beginning on page no. 24 of this Red Herring Prospectus.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page no. 24 and 209 of this Red Herring Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

### **Future relationship between Costs and Income**

Other than as described in the section titled “*Risk Factors*” beginning on page no. 24 of this Red Herring Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

### **The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices**

Changes in revenue in the last three financial years are as explained in the part “*Financial Year 2022-23 compared with financial year 2021-22*” above.

## SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS

Significant proportion of our total revenue have historically been derived from a limited number of Customers. The % of Contribution of our Customers *vis a vis* the total revenue for the period ended December 31, 2023 and for the financial year ended March 31, 2023, 2022 and 2021 are as follows:

Particulars	Customers			
	31.12.2023	31.03.2023	31.03.2022	31.03.2021*
Top 5%	82.06%	78.70%	76.28%	NIL

\*Our Company was incorporated as on December 05, 2020 and did not have any revenue from operations for the financial year ending March 31, 2021.

**Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Business Overview*” beginning on page no. 113 of this Red Herring Prospectus for new products or business segments.

**The extent to which the business is seasonal**

Our business is not seasonal in nature.

**Competitive Conditions**

We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc are key factors in client decisions among competitors, however, reliability and competitive pricing is the deciding factor in most cases. We face fair competition from both organized and unorganized players in the market.

We believe that our experience, and reliability record with our customers will be key to overcome competition posed by such organized and unorganized players. Although, a competitive market, there are not enough number of competitors offering services similar to us. We believe that we are able to compete effectively in the market with our quality of services and our reputation. We believe that the principal factors affecting competition in our business include client relationships, reputation, and the relative quality and price of the services.

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## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENT

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Red Herring Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Red Herring Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Red Herring Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Red Herring Prospectus:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 10% of the Total Revenue as per the Audited Statement of previously Financial year of the Company whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://indianemulsifiers.com/>*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES:**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

###### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:**

**a. Pending Liability in TDS:**

As per details available on the TRACES an aggregate outstanding amount of Rs. 180,504/- is determined to be paid from Previous years till 2023-24 against **M/s. INDIAN EMULSIFIERS LIMITED** (hereinafter referred to as the "Assessee") as default on account of Interest on Payments default u/s 201 Interest on Deduction Default u/s 201 Late Filing Fee u/s 234E and Interest u/s 220(2) of the Income Tax Act. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable

**b. 2023-24:**

As per details available on the website of the Income Tax Department **M/s. INDIAN EMULSIFIERS LIMITED** (hereinafter referred to as the "Assessee") have been issued with a demand notice bearing no. **2023202337243627800C** dated January 30, 2024 passed u/s. 1431a of the Income Tax Act, 1961, raising a demand of Rs. 10, 68,170 /- in addition to an interest of Rs. 42,7,24 /- for A.Y. 2023-24/-. Is pending to be paid by the assessee

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

Indirect Tax: NIL

Direct Tax: NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES AND/OR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

#### 4) Litigation involving Tax Liability

**Indirect Tax: NIL**

**Direct Tax: NIL**

#### **CHEMICAL BROTHERS ENTERPRISES PRIVATE LIMITED (Group Company)**

##### **1. A.Y. 2020-21:**

As per details available on the website of the Income Tax Department M/s. **Chemical Brothers Enterprises Private Limited** (hereinafter referred to as the “Assessee”) have been issued with a demand notice bearing no. 2021202037041374163C dated February 07, 2022 passed u/s. 154 of the Income Tax Act, 1961, raising a demand of Rs. 19,62,300/- for A.Y. 2020-21 in addition to an interest of Rs. 6,67,182/- and the same has been disputed by the assessee and is pending.

##### **2. A.Y. 2018-19:**

As per details available on the website of the Income Tax Department M/s. **Chemical Brothers Enterprises Private Limited** (hereinafter referred to as the “Assessee”) have been issued with a demand notice bearing no. 2019201837025044971C dated May 15, 2019 passed u/s. 143(1) (a) of the Income Tax Act, 1961, raising a demand of Rs. 3,89,190/- for A.Y. 2018-19 and the same has been disputed by the assessee and is pending.

#### 6) Other Pending Litigation based on Materiality Policy of our Company

**Chemical Brothers Enterprise Pvt. Ltd. Vs Brijendra Kumar Mishra Resolution Professional of Lakeland Chemicals India Pvt. Ltd**

**Interlocutory Application no. IA(I.B.C)-4354/2023 (60(5)) dated September 18.09.2023 in filed u/s. 60(5) of the Insolvency and Bankruptcy Code before the Hon’ble National Company Law Tribunal, Mumbai**

Connected Matter:

Interlocutory Application no. IA(I.B.C)-796/2023 in Company Petition (IB) No. 3141 of 2018

Original matter:

**Mahavir Interchem (Operational Creditor / Petitioner) V/s. Lakeland Chemicals (India) Pvt.LTd. (Corporate Debtor / Respondent) Company Petition (IB) No. 3141 of 2018**

The Operational Creditor herein filed a Company petition under the Insolvency and Bankruptcy Code for recovery of its dues wherein the Resolution Professional was appointed and the resolution plan was approved accordingly by the Hon’ble National Company Law Tribunal, Mumbai Bench on September 19, 2022.

Subsequently on December 02, 2022, the Resolution Professional of the Corporate Debtor filed an Interlocutory Application u/s. 45 & 66 of the Insolvency & Bankruptcy Code, 2016 with following details:

**Brijendra Kumar Mishra (Resolution Professional of Lakeland Chemicals (India) Pvt. Ltd.) (Applicant /Resolution Professional) V/s. 1. Vijay Narayan Athalye and 2. M/s. Chemical Brothers Enterprise Pvt. Ltd. (Parties at Point No. 1 & 2 together referred to as Respondent no. 1 & 2 respectively and collectively as Respondents) bearing Interlocutory Application No. 796 of 2023**

The aforementioned application was filed alleging the respondents herein of having entered into undervalued preferential transactions with the Corporate Debtor in the Original Application.

Aggrieved by the aforementioned Interlocutory Application, the Respondent herein filed a counter application under Section 60(5) of the Insolvency & Bankruptcy Code, 2016 before the Hon’ble challenging the maintainability of the captioned Interlocutory application no. 796 of 2023 filed by the resolution professional, praying inter alia for dismissal of the captioned application no. 796 of 2023 and the same is pending.



## **B. LITIGATION FILED BY OUR SUBSIDIARIES AND/ OR GROUP COMPANIES**

### **1) Litigation involving Criminal Laws**

NIL

### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### **3) Disciplinary Actions by Authorities**

NIL

### **4) Litigation involving Tax Liability**

NIL

### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

### **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS.**

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

### **PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS.**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this Red Herring Prospectus in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the Red Herring Prospectus.

### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY.**

As on the date of the Red Herring Prospectus, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES.**

There are no proceedings initiated against our Company for any economic offences.

### **NON-PAYMENT OF STATUTORY DUES.**

As on the date of the Red Herring Prospectus there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

### **MATERIAL FRAUDS AGAINST OUR COMPANY.**

There have been no material frauds committed against our Company in the five years preceding the year of this Red Herring Prospectus.

### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS.**

Neither our Company, nor our Promoters, nor Group Companies and nor 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.

**DISCLOSURES PERTAINING TO FRAUDULENT BORROWER.**

Our Company or any of our Promoters or Group Companies or Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

**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. 209 there have been no material developments that have occurred after the Last Balance Sheet Date.

**OUTSTANDING DUES TO CREDITORS.**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on December 31, 2023: -

<b>Name</b>	<b>Balance as on December 31, 2023 (₹ in Lakhs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises.	--
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises.	1,084.42

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## GOVERNMENT AND OTHER APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals in Relation to Our Company's incorporation**

1. Certificate of Incorporation dated December 05, 2020 from the Registrar of Companies, Central Registration Centre issued on behalf of Jurisdictional Registrar of Companies under the Companies Act, 2013 as “*Indian Emulsifiers Private Limited*” (Company registration no. (U24100MH2020PTC351364).
2. Fresh Certificate of Incorporation dated January 05, 2024 from the Registrar of Companies, Maharashtra, RoC-Mumbai, consequent to conversion of the Company from “*Indian Emulsifiers Private Limited*” to “*Indian Emulsifiers Limited*” (Corporate Identification No. - U24100MH2020PLC351364).

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on January 06, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) I of the Companies Act, 2013.
2. Our Shareholders have, pursuant to a resolution dated January 09, 2024 under Section 62(1) I of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated February 09, 2024 and May 02, 2024 authorized our Company to take necessary action for filing the Red Herring Prospectus and [●] Prospectus respectively with NSE EMERGE.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the NSE EMERGE dated April 25, 2024 for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated October 30, 2023 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Maashitla Securities Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated October 31, 2023 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Maashitla Securities Private Limited, for the dematerialization of its shares.

### **APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:**

#### **Tax Related Approvals**

Sr. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	M/s. Indian Emulsifiers Private Limited	AAFCI9300K	Income Tax Department	December 05, 2020	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	M/s. Indian Emulsifiers Limited,13 Floor –GRD Shah And Nahar Industrial Estate,Laxminarsingh Papan Marg, Worli, Mumbai-400018, Maharashtra, India.	MUMI15886D	Income Tax Department	December 06, 2020	Valid till Cancelled
3.	GST Registration Certificate (Maharashtra)	M/s. Indian Emulsifiers Limited, E-10 Lote, Parashuram Industrial Zone MIDC, Khed, Ratnagiri, Ratnagiri, Maharashtra, 415722 Additional Address: Warehouse No.3, Bldg No. 504/1, Karwar Spring Compund,Survey No.60/1, Near Nisarg Restaurant, Mumbai Pune Highway, Deravali Village, Near Kon Gaon Panvel, Raigad, Maharashtra, 410221 Additional Address: P-28,Unnamed Road, Maharashtra State Warehousing Corporation Warehouse, Lote Parshuram MIDC, Lote Parshuram MIDC, Ratnagiri, Maharashtra, 415722 Additional Address: 206, Sumer Kendra, Pandurang Budhakar Marg, Behind Mahindra Tower, Worli, Mumbai 400 018, Maharashtra, India	27AAFCI9300K1ZF	Goods and Services Tax department	April 15,2021	Valid till Cancelled
4.	Professional Tax Registration Certificate P.T.R.C	M/s.Indian Emulsifiers Private Limited,13, Floor-Grd,Shah A,13, Floor-Grd,Shah A, Estate, laxminarsingh Papan Ma,Estate, Laxminarsingh Papan Ma, Mumbai City, 400018	27981817965P	Government of Maharashtra Commercial Taxes Department	December 05,2020	Valid till Cancelled
5.	Professional Tax Enrolment Certificate P.T.E.C	M/s.Indian Emulsifiers Private Limited,13, Floor-Grd,Shah A,13, Floor-Grd,Shah A, Estate, laxminarsingh Papan Ma,Estate, Laxminarsingh Papan Ma, Mumbai City, 400018	99373985111P	Government of Maharashtra Commercial Taxes Department	December 07,2020	Valid till Cancelled

**Registrations related to Labour Laws:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration and License to work a factory issued under the Factories Act, 1948.	Indian Emulsifiers Private Limited E-10,Midc Area, Lote, Parshuram, MIDC Area, E10, Khed, Ratnagiri 415 722, Maharashtra, India.	122802023300414	Joint Director Industrial Safety and Health, Surat Region	January 01,2023	December 31,2027
2.	Registration under Maharashtra Shops and Establishments Act, 2017	M/s. Indian Emulsifiers Private Limited, 206, Sumer Kendra, Pandurang Budhakar Marg, Behind Mahindra Tower, Worli, Mumbai 400 018, Maharashtra, India.	820316174/GS Ward/COMMERCIAL II	Maharashtra Labour Department	November 21,2023	Valid till cancelled
3.	Registration under the Employees Provident fund (EPF)	M/s. Indian Emulsifiers Private Limited,13, Floor-Grd, Shah and Nahar Indust Estate, Laxminarsingh Papan Marg, Mumbai 400 018, Maharashtra, India.	MHBAN2252210000	Regional Employees Provident Fund Organization,	December 06,2020	Valid till cancelled
4.	Registration under Employees State Insurance Act (ESIC)	M/s. Indian Emulsifiers Private Limited,13, Floor-Grd, Shah and Nahar Industrial Estate, Laxminarsingh Papan Marg, Worli, Mumbai 400 018, Maharashtra, India.	35000517680000304	Regional Office, Employee's State Insurance Corporation,	December 07,2020	Valid till cancelled
5.	Udyam Registration Certificate	M/s. Indian Emulsifiers Limited, Shop 206, 2 <sup>nd</sup> Floor,Sumer Kendra Shivram Seth, Amrutwar Road,Near Doordarshan Kendra,Off. Pandurang Budhkar Marg Wor, Mumbai-400018 Maharashtra	UDYAM-MH-19-0063362	Ministry Of Micro Small & Medium Enterprises	June 01,2021	Valid till cancelled



**Business Related Approvals:**

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Consent to operate/renewal facilities under Section 25/26 of Water (Prevention and Control of Pollution) Act, 1974 and under Section 21(4) of Air (Prevention and Control of Pollution) Act, 1981	Indian Emusifiers Private Limited Plot No. E-10, MIDC Lote - Parshuram Tal. Khed, Dist. Ratnagiri, Maharashtra, India.	Application UAN No.0000143536	Maharashtra Pollution Control Board	October 06,2022	September 30,2025
2	Import Export Code (IEC)	M/S. Indian Emusifiers Limited, 206, 2 <sup>nd</sup> Floor, Sumer Kendra, Behind	AAFCI9300K	Ministry of Commerce and Industry, Directorate General of	August 26,2022	Valid till cancelled

Sr. No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
		Mahindra Tower, Pandurang Budhkar Marg, Worli, Mumbai 400 018, Maharashtra, India.		Foreign Trade,		
3.	ISO 9001:2015	M/s. Indian Emulsifiers Private Limited, Unit No. 13 Shah And Nahar Industrial Estate Worli L N Papan City Mumbai 400 018, Maharashtra, India.	01.21.9210.114884.D	FQC (First Quality Certification)	May 20, 2021	May 19, 2024
4.	LEI (Legal Entity Identifier)	M/s. Indian Emulsifiers Limited	335800JPA9872GAV2L68	Legal Entity Identifier India Limited	January 01, 2023	January 01, 2025

### **Intellectual Property**

#### **Trademarks registered/Objected/Abandoned in the name of our company**

Sr. No	Brand Name/Logo Trademark	Class	Application / Registration Number	Ownership and Acquisition details	Date of Application	Authority	Current Status
1.	 Indian Emulsifiers Ltd.	1	6283288	Indian Emulsifiers Limited	February 01, 2024	Registrar of Trademarks, Mumbai	Objected
2	 Indian Emulsifiers Ltd.	35	6283291	Indian Emulsifiers Limited	February 01, 2024	Registrar of Trademarks, Mumbai	Accepted & Advertised

#### **Domain Name**

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://indianemulsifiers.com/">https://indianemulsifiers.com/</a>	2583000019_DOMAIN_CO M-VRSN	PDR Ltd. d/b/a PublicDomainRegistry.com	January 06, 2021	January 06, 2025

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

Our Board of Directors have *vide* resolution dated January 06, 2024 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue, by passing a Special Resolution at the Extra Ordinary General Meeting held on January 09, 2024 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

### IN-PRINCIPLE APPROVAL

The Company has obtained approval from NSE *vide* letter dated April 25, 2024 to use the name of NSE in this Issue Document for listing of equity shares on the NSE Emerge. NSE is the designated stock exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Promoter, Promoter Group and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor Promoter, nor Promoter Group, nor any of our Directors or persons in control of our Company are / were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- 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 Promoter or Director.
- Neither our Promoter, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoter, nor Promoter Group nor our Directors, are Wilful Defaulters or fraudulent borrowers.

### PROHIBITION BY RBI

Neither our Company, nor Promoter, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers. by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled “*Outstanding Litigations and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, Promoter and Promoter Group, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

### 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 Red Herring Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is an “unlisted issuer” in terms of the SEBI (ICDR) Regulations, 2018 and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible in terms of Regulation 228, 229(2) and 230 of SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, Our Company is eligible for the Issue in accordance with Regulation 229(2) of the SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, as we are an Issuer whose post issue paid up capital shall not be more than ₹25.00 Crores and we may hence, Issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange [in this case being the “NSE Emerge”].

Our Company was originally incorporated on December 05, 2020, as a Private Limited Company as “M/s Indian Emulsifier Private Limited” vide Registration No.351364 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, company was converted into public limited company, subsequently the name of our Company was changed to “Indian Emulsifier Limited” and fresh Certificate of Incorporation dated January 05, 2024 was issued by the Registrar of Companies, Mumbai, Maharashtra.

**We confirm that:**

In accordance with Regulation 246 the SEBI ICDR Regulations, the Book Running Lead Manager shall ensure that the Issue or shall file copy of the Red Herring Prospectus with SEBI along with relevant documents as required at the time of filing the Red Herring Prospectus to SEBI.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the total issue size. For further details, pertaining to said underwriting please refer to chapter titled “General Information-Underwriting” beginning on page no. 56 of this Red Herring Prospectus.

In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, 2018, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of Equity Shares in this Issue on the SME Platform of BSE Limited. For further details of the arrangement of market making please refer to chapter titled “General Information” beginning on page no. 56 and details of the Market Making Arrangements for this please refer to chapter titled “The Issue” beginning on page no. 50 of this Red Herring Prospectus.

In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight working days, be liable to repay such application money, with an interest at the rate as prescribed under SEBI (ICDR) Regulations 2018, the Companies Act, 2013 and applicable laws. 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.

As per Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, our Company satisfies track record and / or other eligibility conditions of SME Platform of BSE Limited in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was incorporated on December 05, 2020 with the Registrar of Companies, Central Registration Centre, under the Companies Act, 2013 in India.
2. As on the date of this Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹901.12 Lakhs comprising 90,11,222 Equity Shares of ₹10/- each and the Post Issue paid-up Capital (face value) will be ₹[●] Lakhs comprising [●] Equity Shares which shall be below ₹25 crores.
3. Our Company confirms that as per the eligibility requirement of NSE Emerge:
  - a) Our Company has a track record of 3 years;
  - b) Further, the promoter of our company has experience in the same line of business for more than 3 years and is holding atleast 20% of the post issue equity share capital individually.

4. As per the Restated Financial Statements, our company has operating profit (earnings before interest, depreciation and tax excluding other income) in two out of the three proceeding financial year depicted as follows:

(₹ in Lakhs)

Particulars	As on 31.12.2023	As on 31.03.2023	As on 31.03.2022	As on 31.03.2021
EBITDA	1,119.22	786.19	79.49	(0.37)

5. Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our company and promoting companies.
6. There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.
7. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.



8. There is no winding up petition against the Company, which has been admitted by a court of competent jurisdiction or liquidator has not been appointed.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. Other Disclosures:
  - a. We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) of our company in the 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 our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) during the past three years except as mentioned in the Red Herring Prospectus.
  - c. We have disclosed the details of our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigations and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus.
  - d. We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “*Outstanding Litigations and Material Developments*” beginning on page no. 218 of this Red Herring Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- a. The 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.
- b. Our Company has entered into an agreement dated October 31, 2023 with NSDL and agreement dated October 30, 2023 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be offered.
- c. The entire pre- Issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO are fully paid-up.
- d. The entire Equity Shares of the Company in dematerialization form.
- e. The fund requirements set out for the Objects of the Issue are proposed to be met entirely from the Net Proceeds.

Accordingly, our Company confirms that 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 amount to be raised from the Issue as required under the SEBI ICDR Regulations. For details, please refer the chapter “*Objects of the Issue*” beginning on page no. 79 of this 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:

1. Neither our Company nor our Promoters, members of our Promoter group or our directors is debarred from accessing the capital markets by the SEBI.
2. None of our Promoters or Directors is Promoters or director of any other companies which are debarred from accessing the capital markets by the SEBI.
3. Neither our Company nor our Promoters or Directors is a wilful defaulter or a fraudulent borrower.
4. None of our Promoters or Directors is a fugitive economic offender.

#### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI ICDR Regulations, with respect to the

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER 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 OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE OFFEROR IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE OFFEROR DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, EKADRISHT CAPITAL PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 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 THIS OFFER 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 BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS OFFER DOCUMENT.**

**Note:** All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 33(1) and 33(2) of the Companies Act.

#### **DISCLAIMER OF THE NSE**

As required, a copy of the Red Herring Prospectus shall be submitted to the NSE Emerge. The Disclaimer Clause as intimated by the NSE Emerge to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and Prospectus prior to the filing with RoC.

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/3455 dated April 25, 2024, permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.**

**Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”**

#### **DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

Our Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this

Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.indianemulsifier.com](http://www.indianemulsifier.com), or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriter and our Company and Market Maker Agreement entered into among Market Maker and our Company.

All information shall be made available by our Company, and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the issue.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, 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, AIFs state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, Maharashtra, only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the 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 the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company or that the information contained herein is correct as of any time subsequent to this date. No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Offer outside India.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **FILING OF RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/ PROSPECTUS WITH THE SEBI/ ROC**

The 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/ Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 will be filed to the RoC Office situated at Registrar of Companies, Mumbai, Maharashtra.

## **LISTING**

The Equity Shares Offered through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of NSE. Application have been made to the EMERGE Platform of NSE for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its NSE Emerge Platform after the allotment in the Issue. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our company has obtained In-principle approval from NSE vide letter dated April 25, 2024 to use name of NSE in Offer Documents for listing of equity shares on NSE Emerge.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Issue Closing Date or such period as may be prescribed by SEBI.

If our Company does not allot Equity Shares pursuant to the Issue within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period in accordance with applicable law.

## **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

Any person who-

- Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- 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
- Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable to action under Section 447 of the Companies, Act 2013.

## **CONSENTS**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Book Running Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Banker to the Issue/ Sponsor Bank, Syndicate Members, Underwriter to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required under Section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 26 & 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. Dave & Dave., Chartered Accountants, Statutory Auditors of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC.

## **EXPERT TO THE ISSUE**

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

- Report of the Statement of Possible of Tax Benefits dated February 09, 2024.
- Report of the Auditor on the Restated Financial Information of the Company, which comprises of the Restated Balance Sheet, the Restated Profit and Loss Information and Restated Cash Flow Information for the period ended on December 31, 2023 and the Financial Year ended on March 31, 2023 March 31, 2022 and March 31, 2021 of our Company dated February 09, 2024.

## **EXPENSES TO THE ISSUE**

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “*Objects of the Issue*” beginning on page no. 79 of this Red Herring Prospectus.

## **DETAILS OF FEES PAYABLE**

### **Fees Payable to the Book Running Lead Manager.**

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

### **Fees, Brokerage and Selling Commission payable.**

The total fees payable to the Book Running Lead Manager will be as per the (i) Agreement dated February 05, 2024 with the Book Running Lead Manager, (ii) the Underwriting Agreement dated February 05, 2024 with the Underwriter and (iii) the Market Making Agreement February 05, 2024 with the Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 AM to 5.00 PM on Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

### **Fees Payable to the Registrar to the Issue.**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated February 05, 2024 a copy of which is available for inspection at our Company’s Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

## **PREVIOUS PUBLIC OR RIGHTS ISSUES DURING THE LAST THREE YEARS**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offer” in terms of the SEBI ICDR Regulations.

## **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES IN LAST THREE YEARS**

Since this is an Initial Public Offer 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*” beginning on page no. 67 of Red Herring Prospectus, our Company has not made any capital issue during the previous three years.

Except as disclosed in Chapter titled “*Our Group Companies*” beginning on page no. 165 of Red Herring Prospectus, our

Company has no other group companies.

## **PERFORMANCE VIS-À-VIS OBJECTS**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us

## **OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES**

As on the date of this Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## **STOCK MARKET DATA OF EQUITY SHARES**

This being an Initial Public Offer 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.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of three years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Issue for redressal of their grievances. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Manager where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint

from the investor, for each day delayed, the Book Running Lead Manager shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Manager pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see “*General Information – Book Running Lead Manager*” beginning on page no. 56 of this Red Herring Prospectus

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Anchor Investors are required to address all grievances in relation to the Issue to the BRLM.

Our Company has also appointed Ramjraj Thakur, Company Secretary and Compliance officer for the Issue. For details, see “*General Information*” beginning on page no. 56 of this Red Herring Prospectus.

## **STATUS OF INVESTOR COMPLAINTS**

We confirm that we have not received any investor complaint during the three years preceding the date of this Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Red Herring Prospectus.

## **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company shall, after filing of this Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Further, our Board by a resolution on January 06, 2024 has also constituted a Stakeholders’ Relationship Committee. The composition of the Stakeholders’ Relationship Committee is as follows:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Vaishali Dipen Tarsariya	Non-Executive Independent Director	Chairman
Yash Tikekar	Chairman and Managing Director	Member
Rajaram Gordhanlal Agarwal	Non-Executive Independent Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no. 146 of this Red Herring Prospectus.

## **TAX IMPLICATIONS**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Special Tax Benefits*” beginning on page no. 100 of this Red Herring Prospectus.

## **PURCHASE OF PROPERTY**

Other than as disclosed in Section “*Business Overview*” beginning on page no. 113 of this Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus.

Except as stated elsewhere in this Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

## **CAPITALIZATION OF RESERVES OR PROFITS**

Save and except as stated in “*Capital Structure*” beginning on page no. 67 of this Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

## **REVALUATION OF ASSETS**

There has not been any revaluation of assets since incorporation of the Company.

## **SERVICING BEHAVIOUR**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

## **PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under chapter titled “*Our Management*” beginning on page no. 146 and chapter “*Financial Information*” beginning on page no. 169 of this Red Herring Prospectus none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

## **PRICE INFORMATION OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

Till the date of this Red Herring Prospectus, Ekadrisht Capital Private Limited, the Book Running Lead Manager of this Company, has not had any Issue be listed on any of the Stock Exchanges. Book Running Lead Manager has filed Red Herring Prospectus of TBI Corn Limited on February 05, 2024 on Emerging Platform of NSE Limited for further details kindly refer the website of NSE Limited on [www.nseindia.com](http://www.nseindia.com) and Ekadrisht Capital Private Limited on [www.ekadrisht.com](http://www.ekadrisht.com).

## **TRACK RECORD OF PAST ISSUES HANDLED BY BOOK RUNNING LEAD MANAGER**

For details regarding track record of the Book Running Lead Manager 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 Book Running Lead Manager at: [www.ekadrisht.com](http://www.ekadrisht.com). However, as on the date of this Red Herring Prospectus, the BRLM has not filed any issue till date.

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

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.



## SECTION IX – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI (LODR) Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN / Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents / certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, 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 Government of India, the Stock Exchange(s), the RBI, RoC 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 the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and / or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular 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 no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. However, due to the outbreak of COVID19 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, vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days (i.e., the time duration from public issue closure to listing of be 3 Working Days) has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 (“UPI Phase III”). Accordingly, the Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### **AUTHORITY FOR THE ISSUE**

The present Public Issue of upto 32,11,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 06, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on January 09, 2024 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

### **RANKING OF EQUITY SHARES**

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled “Main Provision of the Articles of Association” beginning on page no. 281 of this Red Herring Prospectus.

### **MODE OF PAYMENT OF DIVIDEND**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the

Board of Directors and approved by 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 dividend, if declared, to our Shareholders as per the 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 in relation to dividends, please refer to sections titled, “*Dividend Policy*” and “*Main Provision of the Article of Association*”, beginning on page no. 168 and 281 respectively, of this Red Herring Prospectus.

#### **FACE VALUE, ISSUE PRICE, FLOOR PRICE AND PRICE BAND**

The face value of each Equity Share is ₹10 and the Issue Price is ₹[●] per Equity Share. The Floor Price is ₹[●] per Equity Share and at the Cap Price is ₹[●] per Equity Share, being the Price Band. The Anchor Investor Issue Price is ₹[●] per Equity Share.

The Issue Price, Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs, and advertised in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and Pratahkaal editions of Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their 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 respective websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager, after the Bid/ Issue Closing Date on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares, unless otherwise permitted by law.

#### **COMPLIANCE WITH SEBI (ICDR) REGULATIONS**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- g) Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- h) Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled “*Main Provision of the Articles of Association*” beginning on page no. 281 of this Red Herring Prospectus.

#### **ALLOTMENT ONLY IN DEMATERIALIZED FORM**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified

by Emerge Platform of NSE (“NSE”) from time to time by giving prior notice to investors at large. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Company:

- a) Tripartite Agreement dated October 31, 2023 between NSDL, our Company and Registrar to the Company; and
- b) Tripartite Agreement dated October 30, 2023 between CDSL, our Company and Registrar to the Company;
- c) The ISIN no of the company is INE0RRU01016.

#### **MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT**

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application.*

#### **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs or Sponsor Bank shall be unblocked within 6 Working days of closure of issue.

#### **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

#### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72 (1) & 72 (2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicants, may nominate up to three persons, vide Multiple Nominations facility made available by CDSL and NSDL, to whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest in respect of Percentage assigned to each nominee at the time of nomination. 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 (3) 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 accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination interest 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 or Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, 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 of Directors 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 ninety days, the Board of Directors 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 is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **WITHDRAWAL OF THE ISSUE**

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the 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 to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the 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 IPO, our Company shall be required to file a fresh Prospectus.

## **BID/ISSUE PROGRAM**

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

<b>Event</b>	<b>Indicative Date</b>
Bid/Issue Opening Date	Monday, May 13, 2024 <sup>(1)</sup>
Bid/Issue Closing Date	Thursday, May 16, 2024 <sup>(2) (3)</sup>
Finalization of Basis of Allotment with Designated Stock Exchange	On or before Friday, May 17, 2024.
Initiation of refunds /unblocking of funds from ASBA Account*	On or before Tuesday, May 21, 2024.
Credit of Equity Shares to demat accounts of Allottees	On or before Tuesday, May 21, 2024.
Commencement of trading of the Equity Shares on Stock Exchange	On or before Wednesday, May 22, 2024.

- Our Company in consultation with the BRLM, may consider participation by Anchor Investors. 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.*
- Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.*
- UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Issue Closing Date, i.e. i.e. Thursday, May 16, 2024.*

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying 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 Applicant 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 Application Amount, the Applicant 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 non-allotted / partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post issue BRLM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. Further, investors shall be entitled to compensation in the manner specified in the 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, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

**The above timetable other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation or liability on our Company or the BRLM.**

**Any circulars or notifications from the SEBI after the date of this Red Herring Prospectus may result in changes to the timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.**

**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 Exchanges are taken within such time as prescribed**

by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. In terms of the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, our Company shall within three days from the closure of the Issue, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. 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. The Shareholder, severally and not jointly, has specifically confirmed that it shall extend such reasonable support and co-operation required by our Company and the BRLM for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within such time as prescribed by SEBI.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on 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 SCSB's shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within such time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

#### Submission of Bids (other than Bids from Anchor Investors)

<b>Bid Period (except the Bid/Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time("IST"))
<b>Bid/ Issue Closing Date</b>	
Submission and Revision in Bids*	Only between 10.00 a.m. and 3.00 p.m. IST

\* UPI mandate end time and date shall be at 5.00 pm IST on Bid/Issue Closing Date

#### 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 RIBs.

On Bid/Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Bids received by RIBs after taking into account the total number of Bids received and as reported by the Book Running Lead Manager to the Stock Exchange.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to the limitation of time available for uploading the Bid-Cum- Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise; or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid Period in accordance with the SEBI ICDR Regulations. 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, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

**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. In case of revision in the Price Band, the Bid/ issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, may 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 Price Band, and the revised Bid/ issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public announcement and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. In accordance with Regulation 260 (1) of ICDR Regulations, this Issue 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 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 offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

If our Company does not receive the subscription of 100% of the Issue through this Offer document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of Issue.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, 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 Lakhs (Rupees One Lakhs) per application.

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.

#### **NO RESERVATION FOR EIGIBLE NRIS, FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND QFIS**

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **AS PER THE EXTANT POLICY 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, FIIs 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.

*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 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 or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **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 and the same may be modified by Emerge Platform of NSE from time to time by giving prior notice to investors at large.

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.

#### **RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES**

Except for lock-in of the pre-Issue Equity Shares and Minimum Promoters' Contribution in the Issue as detailed in the chapter "Capital Structure" beginning on page no. 67 of this Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the chapter titled "Main Provision of the Articles of Association" beginning on page no. 281 of this Red Herring Prospectus.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

#### **MIGRATION TO MAIN BOARD**

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. The migration policy of NSE was intimated vide circular Download Ref. No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref. No. NSE/SME/37551 dated April 18, 2018 and NSE/SME/47077 dated January 21, 2021. NSE has further reviewed and revised the migration policy effective from April 20, 2023 from NSE Emerge to NSE Main Board as follows:

1. The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company'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.*

2. The 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.

3. The company should have been listed on SME platform of the Exchange for at least 3 years.
4. The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
5. The company has not received any winding up petition admitted by a NCLT.
6. The net worth of the company should be at least ₹50 crores.
7. Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
8. The company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:
  - a) 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.
  - b) 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.
  - c) Redressal mechanism of Investor grievance.
  - d) PAN and DIN no. of Director(s) of the Company.
  - e) Change in Control of a Company/Utilisation of funds raised from public.

## **MARKET MAKING**

The shares Offered through this issue are proposed to be listed on the NSE Emerge with compulsory market making through the registered Market Maker of the SME 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 NSE Emerge. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page no. 56 of this Red Herring Prospectus.

## **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

## **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ₹10 crores and upto ₹25 crores, shall issue equity 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). For further details regarding the salient features and terms of such an issue, please refer chapter titled “Terms of the Issue” and “Issue Procedure” beginning on page no. 238 and 251 respectively of this Red Herring Prospectus.

### ISSUE STRUCTURE

This Issue comprised of Initial Public of 32,11,000 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 (the “Issue Price”) aggregating to ₹[●] Lakh (“The Issue”) by our Company. The Issue comprises a reservation of 1,61,000 Equity Shares of face value of ₹10.00/- each for cash at a price of ₹[●] per equity share including a share premium of ₹[●] per equity share aggregating to ₹[●] 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 to Public of 30,50,000 Equity Shares of face value of ₹10.00/- each at a price of ₹[●] per equity share including a share premium of ₹[●] per equity share aggregating to ₹[●] lakhs (“the Net Issue”). The Issue and the Net Issue will constitute 26.27% and 24.95%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors/Bidders	Retail Individual Investors/Bidders
Number of Equity Shares available for allocation or allotment <sup>(2)</sup>	Upto 1,61,000 Equity Shares.	Not more 15,20,000 Equity Shares.	Not less than 4,60,000 Equity Shares available for allocation	Not less than 10,70,000 Equity Shares available for allocation
Percentage of Issue Size available for Allocation or allotment	5 % of the Issue Size.	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 (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of Net Issue.	Not less than 35% of Net Issue.
Basis of Allotment <sup>(3)</sup>	Firm allotment	Proportionate as follows (excluding the Anchor Investor Portion):  (a) Up to 30,000 Equity Shares shall be available for allocation on a proportionate basis to	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares. For details, see “Issue Procedure” beginning on page no. 251 of this	Proportionate basis subject to minimum allotment of [●] Equity Shares. For details, see “Issue Procedure” beginning on page no. 251 of this Red Herring Prospectus.

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors/Bidders	Retail Individual Investors/Bidders
		<p>Mutual Funds only; and</p> <p>(b) Up to 15,20,000 Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>(c) Up to 60% of QIB Portion (of upto 9,10,000 Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price</p>	Red Herring Prospectus.	
<b>Mode of Bid</b>	Only through ASBA Process	ASBA only except for Anchor Investors <sup>(4)</sup>	Only through ASBA Process	Through ASBA Process, Through Banks or by using UPI ID for payment
<b>Mode of allotment</b>	Compulsorily in dematerialized form			
<b>Minimum Bid Size</b>	[●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹2.00 Lakhs.	[●] 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, (excluding the Anchor portion), subject to limits applicable to each Bidder	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 ₹2.00 Lakhs.
<b>Bid Lot</b>	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
<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	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof

Particulars	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors/Bidders	Retail Individual Investors/Bidders
Who can apply? <sup>(5)</sup>	Market Maker	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2500 lakhs, pension fund with minimum corpus of ₹2500 lakhs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws including FEMA Rules.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹2.00 Lakhs in value.
Terms of Payment	<b>In case of all other Bidders:</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. <b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. <sup>(6)</sup>			
Mode of Bid	Only through the ASBA process.			

(1) Our Company in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, (ii) minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to ₹2,500.00 Lakhs, and an additional ten Anchor Investors for every additional ₹2,500.00 Lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 Lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 Lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.

- (2) *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI ICDR Regulations, 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 Manager and the Designated Stock Exchange, subject to applicable laws.*
- (4) *Anchor Investors are not permitted to use the ASBA process.*
- (5) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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. The signature of only such 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. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*
- (6) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*
- (7) *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- (1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post Issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.

The Bids by FPIs with certain structures as described under “*Issue Procedure*” beginning on page no. 251 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.

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. Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

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.

**In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by**

**notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.**

**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 Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.**

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## ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. 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 investoreligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From 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.

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. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Book Running Lead Managers shall continue to coordinate with intermediaries involved

in the said process. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, including the reduction of time period for unblocking of application monies from 15 days to four days. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus.

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 Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited (“NSE Emerge”) to act as intermediaries for submitting Application Forms are provided on [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge) For details on their designated branches for submitting Application Forms, please see the above mentioned website of Platform of National Stock Exchange of India Limited (“NSE Emerge”).

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Issue.

### **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 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 RIBs 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 have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six working days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue 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 Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

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.

## **BOOK BUILDING PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue Paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, 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 spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.**

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.**

### **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 BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issuer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details or 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 Issue 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 Issue 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 Issue 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 of Application Form*
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

\*Electronic Bid cum Application Form will also be available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)).

\*\* 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 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”).

S. 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)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the

counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORMS**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### **WHO CAN APPLY?**

As per the existing RBI 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 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 to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, 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. Applicants are requested to refer to the Red Herring Prospectus for more details.

**Subject to the above, an illustrative list of Applicants 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 Applicant should specify that the

application is being made in the name of the HUF in the 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”. 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) QIBs;
- e) Mutual Funds registered with SEBI;
- f) 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;
- g) 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);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant’s category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) 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;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) 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;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **Applications not to be made by:**

1. Minors (except under guardianship).
2. Partnership firms or their nominees.
3. Foreign Nationals (except NRIs).
4. Overseas Corporate Bodies.

*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.*

### **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 Applicants 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 Issuer 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 Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the Financial Express English national newspaper, all editions of Hindi national newspaper Jansatta and Mumbai Edition of Regional newspaper Pratahkaal 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 Financial Express, all editions of Hindi national newspaper Jansatta and Mumbai Edition of Regional newspaper Pratahkaal 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. 251 of this Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated

Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **INFORMATION FOR THE BIDDERS**

1. Our Company and the Book Running Lead Manager shall declare the 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) 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 and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1) (SS) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of 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 ₹2,500.00 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 ₹2,500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 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) 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.
- 11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 12) 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 FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

## **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees



only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non - Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof.

Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number

of Equity Shares Issued to the public.

#### **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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.

The Applications 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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate 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 Applications clearly indicate the scheme concerned for which the Application has been made.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a. 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;
- b. 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
- c. 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 (a), (b) and (c) 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.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a. With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b. With respect to applications 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 with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

- c. With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, 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 Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d. With respect to Applications 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 Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the Book Running Lead Manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the RedHerring 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.*

*The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.*

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make

- (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and
- (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

## **BIDS BY SCSB'S**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

## **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

## **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

## **TERMS OF PAYMENT**

The entire Issue price of ₹[●]/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

## **PAYMENT MECHANISM**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## **PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “Indian Emulsifiers Limited IPO - Anchor Account - R”.
- b. In case of non-resident Anchor Investors: “Indian Emulsifiers Limited IPO - Anchor Account - NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

## **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from 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 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:

<b>S. No.</b>	<b>Details*</b>
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID

S. No.	Details*
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 in 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 SCSBbranch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after 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 finalize the Issue Price and the Anchor Investor Issue Price.
- b. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d. In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- e. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f. Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

<b>Bid Quantity</b>	<b>Bid Amount (₹)</b>	<b>Cumulative Quantity</b>	<b>Subscription</b>
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a. Our company has entered into an Underwriting Agreement dated February 05, 2024.
- b. A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

## **PRE - ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a Pre - Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper i.e. Financial Express; (ii) Hindi National Newspaper i.e. Jansatta and (iii) Regional Newspaper i.e. Pratahkaal each with wide circulation. In the pre - Issue advertisement, we shall state the Bid Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part - A of Schedule - X of the SEBI Regulations.

## **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will Issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

## **GENERAL INSTRUCTIONS**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/ Issue period and withdraw their Bids until Bid/ Issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;



15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the casemay be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids areliable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiaryaccount 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 theBid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **OTHER INSTRUCTIONS FOR THE BIDDERS**

## **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

## **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

## **Investor Grievance**

In case of any Pre - Issue or Post Issue related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

## **Nomination Facility to Bidders**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

## **Submission of Bids**

- a. During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b. In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c. For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the RHP.

## **GROUNDS 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 firmas such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the RHP and as per the instructions in the RHP 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 BID.

**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 RHP. For details in relation to allocation, the Bidder may refer to the RHP.

- b) Under-Subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under - subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. 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.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.

- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. Allotment to Anchor Investor (If Applicable)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- 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
- 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 RHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date**

On the Designated date, the SCSBs shall transfer 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 from 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 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4 (four) working days of the Issue

Closing Date, would be ensured; and

3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

#### **“Any person who”**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter 's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, 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 the Bid/ Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/ Issue Closing Date, our Company shall be required to file a fresh Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the



prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Tripartite Agreement dated October 31, 2023 between NSDL, the Company and the Registrar to the Issue;
- b. Tripartite Agreement dated October 30, 2023 between CDSL, the Company and the Registrar to the Issue;
- c. The Company's equity shares bear an ISIN No. INE0P1Q01015.

## 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 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. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See “*Issue Procedure*” beginning on page no. 251 of this Red Herring Prospectus.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Issue Procedure*” beginning on page no. 251 of this Red Herring Prospectus.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, 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 FDI Policy and the FEMA Non-debt 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 Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. 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 in writing about such approval along with a copy thereof within the Bid/Issue

Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States 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 only being offered and sold outside the United States in offshore transactions in reliance on Regulation S 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 offered or sold, and Bids 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 BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

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## SECTION X: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### THE COMPANIES ACT 2013 (Incorporated under Companies Act, 2013) (COMPANY LIMITED BY SHARES)

#### ARTICLES OF ASSOCIATION<sup>1</sup> OF INDIAN EMULSIFIER LIMITED<sup>2</sup>

Sr. No	Particulars	
1.	No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	<b>Table F Not Applicable.</b>
	<b>Interpretation Clause</b>	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>Act</b>
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	<b>Articles</b>
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	<b>Auditors</b>
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	<b>Capital</b>
	(e) "The Company" shall mean Indian Emulsifier Limited *	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	<b>Executor or Administrator</b>
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	<b>Legal Representative</b>

<sup>1</sup> Adopted new set of Articles of Association which is applicable to Public Company as per Companies Act, 2013 vide Special Resolution passed by members of the Company on November 29, 2023. Earlier set of Articles of Association appended after these revised Articles.

<sup>2</sup> Name of the Company changed vide Special Resolution passed by members of the Company on November 29, 2023 before that name of the Company was "Indian Emulsifier Private Limited".

	(h) Words importing the masculine gender also include the feminine gender.	<b>Gender</b>
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	<b>In Writing and Written</b>
	(j) The marginal notes hereto shall not affect the construction thereof.	<b>Marginal notes</b>
	(k) "Meeting" or "General Meeting" means a meeting of members.	<b>Meeting or General Meeting</b>
	(l) "Month" means a calendar month.	<b>Month</b>
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	<b>Annual General Meeting</b>
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	<b>Extra-Ordinary General Meeting</b>
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	<b>National Holiday</b>
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	<b>Non-retiring Directors</b>
	(q) "Office" means the registered Office for the time being of the Company.	<b>Office</b>
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	<b>Ordinary and Special Resolution</b>
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	<b>Person</b>
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	<b>Proxy</b>
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	<b>Register of Members</b>
	(v) "Seal" means the common seal for the time being of the Company.	<b>Seal</b>
	(w) "Special Resolution" shall have the meanings assigned to it by Section 114 of the Act.	<b>Special Resolution</b>
	(x) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	<b>Singular number</b>
	(y) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	<b>Statutes</b>

	(z) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	<b>These presents</b>
	(aa) "Variation" shall include abrogation; and "vary" shall include abrogate.	<b>Variation</b>
	(bb) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	<b>Year and Financial Year</b>
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.	<b>Expressions in the Act to bear the same meaning in Articles</b>
	<b>CAPITAL</b>	
<b>3.</b>	a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	<b>Authorized Capital.</b>
	b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.	
<b>4.</b>	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	<b>Increase of capital by the Company how carried into effect</b>
<b>5.</b>	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing 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.	<b>New Capital same as existing capital</b>
<b>6.</b>	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	<b>Non - Voting Shares</b>
<b>7.</b>	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	<b>Redeemable Preference Shares</b>
<b>8.</b>	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	<b>Voting rights of preference shares</b>
<b>9.</b>	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect:  (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid;	<b>Provisions to apply on issue of Redeemable Preference Shares</b>

	<p>(c) Subject to section 55(2)(d)(i) 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 security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
<b>10.</b>	<p>The Company may (subject to the provisions of sections 52, 55, 56, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	<b>Reduction of capital</b>
<b>11.</b>	<p>Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.</p>	<b>Debentures</b>
<b>12.</b>	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	<b>Issue of Sweat Equity Shares</b>
<b>13.</b>	<p>The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.</p>	<b>ESOP</b>
<b>14.</b>	<p>Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.</p>	<b>Buy Back of shares</b>
<b>15.</b>	<p>Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and</p>	<b>Consolidation, Sub-Division and Cancellation</b>

	diminish the amount of its share capital by the amount of the shares so cancelled.	
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	<b>Issue of Depository Receipts</b>
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	<b>Issue of Securities</b>
	<b>MODIFICATION OF CLASS RIGHTS</b>	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	<b>Modification of rights</b>
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.	<b>New Issue of Shares not to affect rights attached to existing shares of that class.</b>
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	<b>Shares at the disposal of the Directors.</b>
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	<b>Power to issue shares on preferential basis.</b>
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	<b>Shares should be Numbered progressively and no share to be subdivided.</b>
22.	An 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 shall for the purposes of these Articles, be a Member.	<b>Acceptance of Shares.</b>
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment	<b>Directors may allot shares as full paid-up</b>



	or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	
24.	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 become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	<b>Deposit and call etc. to be a debt payable immediately.</b>
25.	Every Member, or his heirs, executors, administrators, or legal representatives, 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 Company's regulations, require on date fixed for the payment thereof.	<b>Liability of Members.</b>
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	<b>Registration of Shares.</b>
	<b>RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT</b>	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	<b>CERTIFICATES</b>	
28.	(a) Every member 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 provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that 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 one of several joint holders shall be sufficient delivery to all such holder. Such certificate 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 coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of	<b>Share Certificates.</b>

	<p>Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) 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.</p>	
<b>29.</b>	<p>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 lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem 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 Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates 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.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p>	<b>Issue of new certificates in place of those defaced, lost or destroyed.</b>
<b>30.</b>	<p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p>	<b>The first named joint holder deemed Sole holder.</b>
	<p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p>	<b>Maximum number of joint holders.</b>
<b>31.</b>	<p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p>	<b>Company not bound to recognise any interest in share other than that of registered holders.</b>
<b>32.</b>	<p>If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.</p>	<b>Installment on shares to be duly paid.</b>
<b>UNDERWRITING AND BROKERAGE</b>		

33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	<b>Commission</b>
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	<b>Brokerage</b>
<b>CALLS</b>		
35.	(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2) A call may be revoked or postponed at the discretion of the Board. (3) A call may be made payable by installments.	<b>Directors may make calls</b>
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	<b>Notice of Calls</b>
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	<b>Calls to date from resolution.</b>
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	<b>Calls on uniform basis.</b>
39.	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 members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	<b>Directors may extend time.</b>
40.	If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	<b>Calls to carry interest.</b>
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	<b>Sums deemed to be calls.</b>
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his 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 Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become	<b>Proof on trial of suit for money due on shares.</b>

	due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that 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 was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.	
43.	Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Judgment, decree, partial payment motto proceed for forfeiture.</b>
44.	(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, 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 on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.  (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.	<b>Payments in Anticipation of calls may carry interest</b>
	<b>LIEN</b>	
45.	The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.	<b>Company to have Lien on shares.</b>
46.	For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares	<b>As to enforcing lien by sale.</b>

	comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.	
47.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.	<b>Application of proceeds of sale.</b>
	<b>FORFEITURE AND SURRENDER OF SHARES</b>	
48.	If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	<b>If call or installment not paid, notice maybe given.</b>
49.	The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day 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 the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.	<b>Terms of notice.</b>
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.	<b>On default of payment, shares to be forfeited.</b>
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	<b>Notice of forfeiture to a Member</b>
52.	Any shares 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 in their absolute discretion shall think fit.	<b>Forfeited shares to be property of the Company and may be sold etc.</b>
53.	Any Member 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 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 the payment of the whole or a portion thereof as if it were a new call made	<b>Members still liable to pay money owing at time of forfeiture and interest.</b>

	at the date of the forfeiture, but shall not be under any obligation to do so.	
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	<b>Effect of forfeiture.</b>
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have 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.	<b>Evidence of Forfeiture.</b>
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	<b>Title of purchaser and allottee of Forfeited shares.</b>
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	<b>Cancellation of share certificate in respect of forfeited shares.</b>
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	<b>Forfeiture may be remitted.</b>
59.	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 purchasers 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.	<b>Validity of sale</b>
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	<b>Surrender of shares.</b>
	<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
61.	(a) Subject to provisions of Article 82, the instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	<b>Execution of the instrument of shares.</b>
62.	Subject to provisions of Article 82, the instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.	<b>Transfer Form.</b>

	The instrument of transfer shall be in a common form approved by the Exchange;	
63.	The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository and shares under transfer are in dematerialized form and a proper instrument of transfer is delivered through depository participant. provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.	<b>Transfer not to be registered except in dematerialized form and on production of instrument of transfer.</b>
64.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (a) any transfer of shares on which the company has a lien. That registration of transfer shall however 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;	<b>Directors may refuse to register transfer.</b>
65.	If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	<b>Notice of refusal to be given to transferor and transferee.</b>
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	<b>No fee on transfer.</b>
67.	The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	<b>Closure of Register of Members or debenture holder or other security holders.</b>
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	<b>Custody of transfer Deeds.</b>
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	<b>Application for transfer of partly paid shares.</b>
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	<b>Notice to transferee.</b>
71.	(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of	<b>Recognition of legal representative.</b>

	<p>Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
72.	The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.	<b>Titles of Shares of deceased Member</b>
73.	Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.	<b>Notice of application when to be given</b>
74.	Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they 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 this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.	<b>Registration of persons entitled to share otherwise than by transfer (transmission clause).</b>
75.	Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.	<b>Refusal to register nominee.</b>
76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	<b>Board may require evidence of transmission.</b>
77.	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	<b>Company not liable for disregard of a notice prohibiting registration of transfer.</b>



	(as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had 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 require to regard or attend or give effect to any notice which may be given to them 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 Directors shall so think fit.	
<b>78.</b>	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	<b>Form of transfer Outside India.</b>
<b>79.</b>	No transfer shall be made to any minor, insolvent or person of unsound mind.	<b>No transfer to insolvent etc.</b>
<b>NOMINATION</b>		
<b>80.</b>	<p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	<b>Nomination</b>
<b>81.</b>	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p>	<b>Transmission of Securities by nominee</b>

	Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.	
	<b>DEMATERIALIZATION OF SHARES</b>	
<b>82.</b>	Subject to the provisions of the Act and Rules made thereunder the Company will offer its members facility to hold securities issued by it in dematerialized form. All the fresh securities to be issued by the company will be in dematerialized form. Any person seeking transfer of shares, shall first get his / her shares dematerialized before execution of instrument of transfer.	<b>Dematerialisation of Securities</b>
	<b>JOINT HOLDER</b>	
<b>83.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	<b>Joint Holders</b>
<b>84.</b>	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	<b>Joint and several liabilities for all payments in respect of shares.</b>
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	<b>Title of survivors.</b>
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	<b>Receipts of one sufficient.</b>
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	<b>Delivery of certificate and giving of notices to first named holders.</b>
	<b>SHARE WARRANTS</b>	
<b>85.</b>	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon 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 persons 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.	<b>Power to issue share warrants</b>
<b>86.</b>	(a) 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 call in 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 deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. (c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.	<b>Deposit of share warrants</b>

87.	(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall 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 notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.	<b>Privileges and disabilities of the holders of share warrant</b>
88.	The Board may, from time to time, make bye-laws as to 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.	<b>Issue of new share warrant coupons</b>
<b>CONVERSION OF SHARES INTO STOCK</b>		
89.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	<b>Conversion of shares into stock or reconversion.</b>
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.	<b>Transfer of stock.</b>
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	<b>Rights of stockholders.</b>
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	<b>Regulations.</b>
<b>BORROWING POWERS</b>		
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	<b>Power to borrow.</b>
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	<b>Issue of discount etc. or with special privileges.</b>

95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	<b>Securing payment or repayment of Moneys borrowed.</b>
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	<b>Bonds, Debentures etc. to be under the control of the Directors.</b>
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	<b>Mortgage of uncalled Capital.</b>
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	<b>Indemnity may be given.</b>
	<b>MEETINGS OF MEMBERS</b>	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	<b>Distinction between AGM &amp; EGM.</b>
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	<b>Extra-Ordinary General Meeting by Board and by requisition</b>
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	<b>When a Director or any two Members may call an Extra Ordinary General Meeting</b>
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	<b>Meeting not to transact business not mentioned in notice.</b>
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not 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 Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors	<b>Chairman of General Meeting</b>

	present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	
<b>103.</b>	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	<b>Business confined to election of Chairman whilst chair is vacant.</b>
<b>104.</b>	<p>a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>d) 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.</p>	<b>Chairman with consent may adjourn meeting.</b>
<b>105.</b>	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	<b>Chairman's casting vote.</b>
<b>106.</b>	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	<b>In what case poll taken without adjournment.</b>
<b>107.</b>	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.	<b>Demand for poll not to prevent transaction of other business.</b>
	<b>VOTES OF MEMBERS</b>	
<b>108.</b>	No Member 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, upon a poll or electronically, or be reckoned in a quorum in respect of any shares 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 or lien.	<b>Members in arrears not to vote.</b>
<b>109.</b>	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	<b>Number of votes each member entitled.</b>
<b>110.</b>	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	<b>Casting of votes by a member entitled to more than one vote.</b>
<b>111.</b>	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	<b>Vote of member of unsound mind and of minor</b>
<b>112.</b>	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company	<b>Postal Ballot</b>

	may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	
<b>113.</b>	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	<b>E-Voting</b>
<b>114.</b>	<p>a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Votes of joint members.</b>
<b>115.</b>	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	<b>Votes may be given by proxy or by representative</b>
<b>116.</b>	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	<b>Representation of a body corporate.</b>
<b>117.</b>	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	<b>Members paying money in advance.</b>
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	<b>Members not prohibited if share not held for any specified period.</b>
<b>118.</b>	Any person entitled under Article 73 (transmission clause) to transfer any share 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 at least forty-eight hours 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 Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	<b>Votes in respect of shares of deceased or insolvent members.</b>
<b>119.</b>	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	<b>No votes by proxy on show of hands.</b>

<b>120.</b>	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	<b>Appointment of a Proxy.</b>
<b>121.</b>	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	<b>Form of proxy.</b>
<b>122.</b>	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	<b>Validity of votes given by proxy notwithstanding death of a member.</b>
<b>123.</b>	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.	<b>Time for objections to votes.</b>
<b>124.</b>	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	<b>Chairperson of the Meeting to be the judge of validity of any vote.</b>
<b>DIRECTORS</b>		
<b>125.</b>	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.	<b>Number of Directors</b>
<b>126.</b>	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	<b>Qualification shares.</b>
<b>127.</b>	<p>(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, 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</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	<b>Nominee Directors.</b>
<b>128.</b>	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for 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 Office of the Original Director	<b>Appointment of alternate Director.</b>

	is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	<b>Additional Director</b>
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	<b>Directors power to fill casual vacancies.</b>
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	<b>Sitting Fees.</b>
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	<b>Travelling expenses Incurred by Director on Company's business.</b>
	<b>PROCEEDING OF THE BOARD OF DIRECTORS</b>	
133.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	<b>Meetings of Directors.</b>
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.  b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	<b>Chairperson</b>
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	<b>Questions at Board meeting how decided.</b>
136.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	<b>Continuing directors may act notwithstanding any vacancy in the Board</b>
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee 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 in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	<b>Directors may appoint committee.</b>



<b>138.</b>	The Meetings and proceedings of any such Committee of the Board consisting of two or 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 regulations made by the Directors under the last preceding Article.	<b>Committee Meeting show to be governed.</b>
<b>139.</b>	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	<b>Chairperson of Committee Meetings</b>
<b>140.</b>	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	<b>Meetings of the Committee</b>
<b>141.</b>	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall 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.	<b>Acts of Board or Committee shall be valid notwithstanding defect in appointment.</b>
<b>RETIREMENT AND ROTATION OF DIRECTORS</b>		
<b>142.</b>	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	<b>Power to fill casual vacancy</b>
<b>POWERS OF THE BOARD</b>		
<b>143.</b>	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, 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.	<b>Powers of the Board</b>
<b>144.</b>	Without prejudice to the general powers conferred by the Articles 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 Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	<b>Certain powers of the Board</b>
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	<b>To acquire any property, rights etc.</b>
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate	<b>To take on Lease.</b>

	in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	<b>To erect &amp; construct.</b>
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures 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.	<b>To pay for property.</b>
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	<b>To insure properties of the Company.</b>
	(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.	<b>To open Bank accounts.</b>
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	<b>To secure contracts by way of mortgage.</b>
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	<b>To accept surrender of shares.</b>
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to 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.	<b>To appoint trustees for the Company.</b>

	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	<b>To conduct legal proceedings.</b>
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	<b>Bankruptcy &amp; Insolvency</b>
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	<b>To issue receipts &amp; give discharge.</b>
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the 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 187 of the Act, all investments shall be made and held in the Company's own name.	<b>To invest and deal with money of the Company.</b>
	(14) 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 as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	<b>To give Security by way of indemnity.</b>
	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	<b>To determine signing powers.</b>
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	<b>Commission or share in profits.</b>
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	<b>Bonus etc. to employees.</b>
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends	<b>Transfer to Reserve Funds.</b>

	<p>or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power 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.</p>	
	<p>(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, 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 to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts 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 and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p>	<p><b>To appoint and remove officers and other employees.</b></p>
	<p>(20) At any time and from time to time by power of attorney 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 their 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 such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or</p>	<p><b>To appoint Attorneys.</b></p>

	indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose 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.	<b>To enter into contracts.</b>
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.	<b>To make rules.</b>
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	<b>To effect contracts etc.</b>
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	<b>To apply &amp; obtain concessions licenses etc.</b>
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40of the Act and of the provisions contained in these presents.	<b>To pay commissions or interest.</b>
	(26) To redeem preference shares.	<b>To redeem preference shares.</b>
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	<b>To assist charitable or benevolent institutions.</b>
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.  (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) 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 dependents or connections of such	

	<p>persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p>	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the</p>	

	<p>Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	<b>MANAGING AND WHOLE-TIME DIRECTORS</b>	
<b>145.</b>	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	<b>Powers to appoint Managing/Whole Time Directors.</b>
<b>146.</b>	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	<b>Remuneration of Managing or Whole Time Director.</b>
<b>147.</b>	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Directors or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the</p>	<b>Powers and duties of Managing Director or Whole-Time Director.</b>

	<p>affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>	
<b>148.</b>	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p>	<b>Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer</b>
	<b>THE SEAL</b>	
<b>149.</b>	<p>(a) The Board shall provide a Common 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 the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p>	<b>The seal, its custody and use.</b>
<b>150.</b>	The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.	<b>Deeds how executed.</b>
	<b>Dividend and Reserves</b>	
<b>151.</b>	<p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any</p>	<b>Division of profits.</b>



	portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	<b>The company in General Meeting may declare Dividends.</b>
153.	a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.  b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	<b>Transfer to reserves</b>
154.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	<b>Interim Dividend.</b>
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	<b>Debts may be deducted.</b>
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	<b>Capital paid up in advance not to earn dividend.</b>
157.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.	<b>Dividends in proportion to amount paid-up.</b>
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	<b>Retention of dividends until completion of transfer under Articles.</b>
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	<b>No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.</b>
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	<b>Effect of transfer of shares.</b>
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	<b>Dividend to joint holders.</b>
162.	a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of	<b>Dividends how remitted.</b>

	<p>joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
<b>163.</b>	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	<b>Notice of dividend.</b>
<b>164.</b>	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	<b>No interest on Dividends.</b>
	<b>CAPITALIZATION</b>	
<b>165.</b>	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(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 Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	<b>Capitalization.</b>
<b>166.</b>	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p>	<b>Fractional Certificates.</b>

	(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.	
<b>167.</b>	(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.  (2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.	<b>Inspection of Minutes Books of General Meetings.</b>
<b>168.</b>	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.  b) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.	<b>Inspection of Accounts</b>
	<b>FOREIGN REGISTER</b>	
<b>169.</b>	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	<b>Foreign Register.</b>
	<b>DOCUMENTS AND SERVICE OF NOTICES</b>	
<b>170.</b>	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	<b>Signing of documents &amp; notices to be served or given.</b>
<b>171.</b>	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	<b>Authentication of documents and proceedings.</b>
	<b>WINDING UP</b>	
<b>172.</b>	Subject to the provisions of Chapter XX of the Act and rules made thereunder— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall	

	be compelled to accept any shares or other securities whereon there is any liability.	
	<b>INDEMNITY</b>	
<b>173.</b>	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	<b>Directors' and others right to indemnity.</b>
<b>174.</b>	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	<b>Not responsible for acts of others</b>
	<b>SECRECY</b>	
<b>175.</b>	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	<b>Secrecy</b>
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	<b>Access to property information etc.</b>

## SECTION XI- 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 two (2) years before the date of filing of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus/Prospectus to be delivered to the RoC for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered office: Shop 206, Floor-2, Sumer Kendra, Shivram Seth Amrutwar Road Near Doordarshan Kendra, Off Pandurang Budhwar Marg, Worli, Mumbai 400 018, Maharashtra, India, from the date of filing the Red Herring Prospectus with RoC to Issue Closing Date on working days from 11.00 a.m. to 5.00 p.m. Also, the below-mentioned contracts and also the documents are available for inspection online at website of Company i.e. [www.indianemulsifiers.com](http://www.indianemulsifiers.com).

#### MATERIAL CONTRACTS

1. Issue Agreement dated February 05, 2024 between our company and the Book Running Lead Manager.
2. Registrar Agreement dated February 05, 2024 between our company and the Registrar to the Issue.
3. Market Making Agreement dated February 05, 2024 between our company, the Book Running Lead Manager and the Market Maker.
4. Bankers to the Issue Agreement dated April 20, 2024 between our Company, the Book Running Lead Manager, Banker(s) to the Issue and Refund Banker and the Registrar to the Issue.
5. Underwriting Agreement dated February 05, 2024 between our company and the Underwriters.
6. Tripartite Agreement among NSDL, our company and the registrar to the issue dated October 31, 2023.
7. Tripartite Agreement among CDSL, our company and the registrar to the issue dated October 30, 2023.
8. Syndicate Agreement dated April 30, 2024 between our Company, Book Running Lead Manager and Syndicate Member.

#### MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.
2. Certified true copy of Certificate of Incorporation dated December 06, 2020 issued by Registrar of Companies, Central Registration Centre.
3. Fresh Certificate of Incorporation dated January 05, 2024 issued by the Registrar of Companies, Mumbai consequent upon Conversion of the Company to Public Company.
4. Resolutions of the Board of Directors dated January 06, 2024 in relation to the Issue and other related matters.
5. Shareholders' resolution dated January 09, 2024 in relation to the Issue and other related matters.
6. Copies of Restated Financial Statements of our Company for the period ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
7. Statutory Auditors Report dated February 09, 2024 on the Restated Financial Statements for the period December 31, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.
8. Statement of Tax Benefits dated February 09, 2024 issued by our Statutory Auditors Dave & Dave, Chartered Accountants.
9. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue/ Sponsor Bank, Refund Banks, Public Issue Account Bank, Syndicate Member, Statutory Auditors of the Company, Bankers to our Company, Promoters, Directors, Company Secretary and

Compliance Officer and Chief Financial Officer, to act in their respective capacities.

10. Certificate on KPI's issued by our statutory auditors namely Dave & Dave, Chartered Accountants dated February 09, 2024.
11. Due diligence certificate dated February 10, 2024 from Book Running Lead Manager to the Issue.
12. Board Resolution dated February 09, 2024 for approval of Draft Red Herring Prospectus, dated May 03, 2024 for approval of the Red Herring Prospectus and dated [●] for approval of the Prospectus.
13. In Approval from NSE vide letter dated April 25, 2024 to use the name of NSE in this Offer Document for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, hereby declares that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case maybe. We further certify that all the statements made in this Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

<i>SD/-</i> <b>Yash Tikekar</b> Managing Director <b>DIN: 02206485</b>	<i>SD/-</i> <b>Abhay Tikekar</b> Whole Time Director <b>DIN: 10425123</b>
<i>SD/-</i> <b>Rajesh Madhukar Joshi</b> Non-Executive Director <b>DIN: 06533262</b>	<i>SD/-</i> <b>Rajaram Gordhanlal Agarwal</b> Non-Executive Independent Director <b>DIN: 10384386</b>
<i>SD/-</i> <b>Vaishali Dipen Tarsariya</b> Non-Executive Independent Director <b>DIN: 10435220</b>	

### SIGNED BY THE CFO AND CS OF OUR COMPANY

<i>SD/-</i> <b>Mandeep Brijkishore Pandey</b> Chief Financial Officer	<i>SD/-</i> <b>Ramraj Singh Thakur</b> Compliance Officer & Company Secretary
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**Place:** Mumbai

**Date:** May 03, 2024.