



(Please scan this QR Code to view the Prospectus)

**PROSPECTUS**  
Dated: October 31, 2023  
Please read Section 26 and 32 of the  
Companies Act, 2013  
100% Book Built Issue



**PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**  
CIN: U24304GJ2018PLC105071

Registered Office	Contact Person	Email and Telephone	Website
1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat- 380054, India	Vrunda Upendra Dattani Company Secretary & Compliance Officer	<b>E-mail:</b> <a href="mailto:cs@paragonind.com">cs@paragonind.com</a> <b>Tel No:</b> +917935335483	<b>Website:</b> <a href="http://www.paragonind.com">www.paragonind.com</a>

Promoters of the Company
<b>Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya, Rutesh Vallabhbhai Savalia and Shivam Kishorbhai Patolia</b>

DETAILS OF THE ISSUE				
Type	Fresh Issue Size (in ₹ lakhs)	OFS Size (by no. of Shares or by amount in ₹)	Total Issue Size (in ₹ lakhs)	Eligibility
Fresh Issue	51,66,000 Equity Shares aggregating to ₹ 5166.00 Lakhs	Nil	₹ 5166.00 Lakhs	This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

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

**RISK IN RELATION TO THE FIRST ISSUE**

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

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 24 of this Prospectus.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.


**LISTING**

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

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

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

**REGISTRAR TO THE ISSUE**

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

**BID/ISSUE PERIOD**

ANCHOR PORTION ISSUE OPENED/CLOSED ON:	BID/ISSUE OPENED ON:	BID/ISSUE CLOSED ON:
<b>WEDNESDAY, OCTOBER 25, 2023*</b>	<b>THURSDAY, OCTOBER 26, 2023</b>	<b>MONDAY, OCTOBER 30, 2023**</b>

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

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



**PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**  
**CIN: U24304GJ2018PLC105071**

Our company was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of "M/s. Devarshi Dyechem, pursuant to a deed of partnership dated February 02, 2003, entered between Manubhai Mongabhai Prajapati, Sureshbhai Natvarlal Patel and Kusumben Prahladbhai Patel. Thereafter, the said partnership firm was purchased by two of our existing promoters, Vallabh Ratanji Savaliya and Pravinbhai Panchabhai Patolia along with Pravinchandra Jasmat Vasolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha pursuant to a deed of partnership dated February 26, 2004. The name of the partnership firm was then changed to M/s. Paragon Industries. Thereafter a deed of partnership dated April 04, 2009 was entered to admit Kishorkumar Panchabhai Patolia and to retire Pravinbhai Panchabhai Patolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha as partners. Later a deed of partnership dated November 20, 2017 was executed to admit Bansari Kishor Patolia, Priyadarshna Kishorkumar Patolia, Nitaben Pravinchandra Vasolia and Heamanshi Pravinbhai Vasoliya as partners in the existing partnership firm. Further, "M/s Paragon Industries" was converted from partnership firm to a Private Limited Company under Part XXI of the Companies Act, 2013 in the name of "Paragon Fine And Speciality Chemical Private Limited" vide Certificate of Incorporation dated November 02, 2018 bearing registration no. 105071 issued by Registrar of Companies, Central Registration Centre bearing CIN U24304GJ2018PTC105071. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on July 15, 2022 and consequently the name of our Company was changed from "Paragon Fine And Speciality Chemical Private Limited" to "Paragon Fine And Speciality Chemical Limited" vide a fresh certificate of incorporation dated August 23, 2022 issued by the Registrar of Companies, Ahmedabad bearing CIN U24304GJ2018PLC105071.

**Registered Office:** 1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat-380054, India

**Contact Person:** Vrunda Upendra Dattani, Company Secretary & Compliance Officer

**Tel No:** +917935335483; **E-mail:** cs@paragonind.com; **Website:** www.paragonind.com;

**Promoters of our Company:** Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya, Rutesh Vallabhbhai Savalia and Shivam Kishorbhai Patolia

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC OFFER OF UPTO 51,66,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF PARAGON FINE AND SPECIALITY CHEMICAL LIMITED ("OUR COMPANY" OR "PFSC" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ 100 PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ 5166.00 LAKHS ("PUBLIC ISSUE") OUT OF WHICH 2,61,600 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 100 PER EQUITY SHARE FOR CASH, AGGREGATING ₹ 261.60 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 49,04,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ 100 PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ 4,904.40 LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.40% AND 25.07 % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

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

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 247 of this Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

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

**GENERAL RISKS**

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 24 of this Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

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

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



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

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

**ISSUE PROGRAMME**

**ANCHOR PORTION ISSUE OPENED/CLOSED ON:**  
**WEDNESDAY, OCTOBER 25, 2023\***

**BID/ISSUE OPENED ON:**  
**THURSDAY, OCTOBER 26, 2023**

**BID/ISSUE CLOSED ON:**  
**MONDAY, OCTOBER 30, 2023\*\***

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

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

*Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 86, 157 and 272 respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

<b>Terms</b>	<b>Description</b>
“PFSCCL”, “the Company”, “our Company”, “Issuer” and “Paragon Fine And Speciality Chemical Limited”	Paragon Fine And Speciality Chemical Limited, a Company incorporated in India under the Companies Act, 2013, having its Registered office at 1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat- 380054 India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

#### Company related and Conventional terms

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board constituted in accordance with Section 177 of the Companies Act and as described in the chapter titled “ <b>Our Management</b> ” beginning on page 132 of this Prospectus
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. Surana Maloo & Co, Chartered Accountants (FRN: 112171W)
Bankers to our Company	Yes Bank Ltd.
Board of Directors/ the Board/ our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 132 of this Prospectus
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Nikita Kiritbhai Muliya
CIN	Corporate Identification Number being U24304GJ2018PLC105071
Companies Act/ Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Vrunda Upendra Dattani (M.No. A71974)
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, being National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s)/ our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ <b>Our Management</b> ” on page 132 of this Prospectus.
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of face value of ₹ 10/- each unless otherwise specified in

Term	Description
	the context thereof.
Factory	The Factory of our Company situated at Viramgam Co. op. Ind. Estate Ltd, Plot no.4 and 5, Situated at Survey No. 1359, 1360 Village-Viramgam Taluka- Viramgam, District-Ahmedabad-382150, Gujarat.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
GIR Number	General Index Registry Number.
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details, see section titled <b>“Our Management”</b> on page 132 of this Prospectus.
Ind AS or Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
ISIN	International Securities Identification Number. In this case being INE0N4G01012
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 132 of this Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Paragon Fine And Speciality Chemical Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Dr. Pravinchandra Jasmat Vasolia
Materiality Policy	The policy adopted by our Board on July 14, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 132 of this Prospectus.
Non-Executive Director	The non-executive directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules thereunder. For details, see section titled <b>“Our Management”</b> on page 132 of this Prospectus.
NRIs/ Non-Resident Indians	Person of Indian origin as defined under Consolidated Foreign Direct Investment Policy, 2020
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership, Limited Liability Company, Joint Venture, or Trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Peer Review Auditor	The Independent Peer Reviewed Auditor of our Company M/s. K A R M A & Co. LLP, Chartered Accountants (FRN: 127544W/W100376)
Promoter(s)	Shall mean promoters of our Company i.e. Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya, Rutesh Vallabhbhai Savalia and Shivam Kishorbhai Patolia. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 149 of this Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoters and Promoter Group”</b> beginning on page 149 of this Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at 1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad Gujarat- 380054 India.
Reserve Bank of India/ RBI	Reserve Bank of India constituted under the RBI Act, 1934.
Restated Financial Information	The Restated Financial statements of our Company comprising of the Restated Statement of Assets and Liabilities as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 and the Restated Statements of Profit and Loss and Cash Flows for the period

Term	Description
	ended June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of companies, Ahmedabad, RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Naranpura, Ahmedabad, Gujarat, India, 380013
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled " <b>Our Management</b> " beginning on page 132 of this Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, NSE
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA being Nitaben Pravinchandra Vasolia, Heamanshi Pravinbhai Vasoliya, Pravinchandra Jasmat Vasolia, Vallabh Ratanji Savaliya, Kishorkumar Panchabhai Patolia, Priydarshna Kishorkumar Patolia and Bansari Kishorbhai Patolia

### **Issue Related Terms**

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee (s)	A successful bidder to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	₹ 100/- per Equity Share. The Anchor Investor Issue Price has been decided by our Company in consultation with the Book Running Lead Manager.
Anchor Investor Portion	Up to 60% of the QIB Portion which has been allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, were blocked by such SCSB to the extent of the appropriate bid amount in relation to a Bid by an ASBA Bidder.
ASBA Account	Account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the

Terms	Description
	extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad
ASBA Bidder	All Bidders except Anchor Investor
ASBA Form/ Bid cum Application	An application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which were considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Banker to the Issue Agreement	Agreement dated October 12, 2023 entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited
Basis of Allotment	The basis on which the Equity Shares is allotted to successful bidders under the issue and which is described in the chapter titled " <i>Issue Procedure</i> " beginning on page 247 of this Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	1200 equity shares and in multiples of 1200 equity shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, October 30, 2023.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, October 26, 2023.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between October 26, 2023 and October 30, 2023 inclusive of both days
Bidder/ Applicant	Any investor who has made a bid pursuant to the terms of the Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding	The process of making a Bid.
Bidding/ Collection Centres	Centres at which the Designated intermediaries accepted the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centres for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book Building Process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Hem Securities Limited, SEBI Registered Category I Merchant Banker.
Broker Centres	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which have been allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	₹ 100/- per Equity Share
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account

<b>Terms</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
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Cut Off Price	The Issue Price, i.e., ₹ 100/-* per Equity Share finalized by our Company in consultation with the BRLM. Only Retail Individual Investors were entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price. *Subject to finalization of basis of allotment
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicant's father/husband, investor status, Occupation and Bank Account details.
Designated CDP Locations	Such locations of the CDPs where Applicant submitted the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e., <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Date	The date on which the funds from the Anchor Escrow Accounts, the funds blocked by the SCSBs and Sponsor Bank are transferred from ASBA Accounts specified by the ASBA Bidder to the Public Issue Account and/or Refund Account and/or are unblocked, as applicable in terms of Red Herring Prospectus
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE SME Platform. In our case, Hem Finlease Private Limited is the sole Market Marker.
Designated RTA Locations	Such locations of the RTAs where Bidder submitted the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e., <a href="http://www.nseindia.com">www.nseindia.com</a> .
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	NSE ("SME Exchange") ("NSE Emerge")
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated August 31, 2023 filed with NSE Emerge.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	The account(s) opened with the Escrow Collection Bank and in whose favour the Anchor Investors transferred money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
First Bidder/ Applicant/ Bidders	Bidder(s) whose name have been mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	₹ 95/- per Equity Share
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.



<b>Terms</b>	<b>Description</b>
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the provision of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 2019, as amended
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers.
Issue Agreement	The Issue Agreement dated August 12, 2023 between our Company and Book Running Lead Manager, Hem Securities Limited.
Issue Price	₹ 100/- per Equity Share i.e., the final price at which the Equity Shares will be allotted in terms of this Prospectus as determined by our company in consultation with BRLM
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled <b>“Objects of the Issue”</b> beginning on page 68 of this Prospectus
Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO	The Initial Public Issue of upto 51,66,000 Equity shares of ₹ 10/- each at issue price of ₹ 100/- per Equity share, including a premium of ₹ 90/- per equity share aggregating to ₹ 5,166.00 lakhs
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	1200 Equity Shares
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker Reservation Portion	The reserved portion of 2,61,600 Equity Shares of ₹10 each at an Issue price of ₹ 100/- each is aggregating to ₹ 261.60 Lakhs to be subscribed by Market Maker in this issue.
Market Making Agreement	The Market Making Agreement dated October 12, 2023 between our Company, Book Running Lead Manager and Market Maker, Hem Finlease Private Limited.
Mutual Fund Portion	5% of the Net QIB Portion (other than anchor investor), 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 49,04,400 equity Shares of ₹10/- each at a price of ₹ 100/- per Equity Share (the “Issue Price”), including a share premium of ₹ 90/- per equity share aggregating to ₹ 4,904.40 Lakhs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled <b>“Objects of the Issue”</b> beginning on page 68 of this Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of 7,35,600 Equity Shares, which was available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other

<b>Terms</b>	<b>Description</b>
	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.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ 95/- and the maximum price (Cap Price) of ₹ 100/- and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and which was advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, finalized the Issue Price i.e. October 31, 2023
Prospectus	The Prospectus dated October 31, 2023 to be filed with the Registrar of Companies in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013, containing, inter alia, the Issue Price, size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 24,51,600 Equity Shares aggregating to ₹ 2,451.60 lakhs which were made available for allocation to QIBs (including Anchor Investors) on a proportionate basis, (in which allocation to Anchor Investor were made available on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red herring prospectus dated October 18, 2023 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus was filed with the RoC at least three Working Days before the Bid/Issue Opening Date and has become the Prospectus upon filing with the RoC after the Pricing Date.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors has made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account was opened, in this case being Axis Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	The agreement dated August 17, 2023 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.

Terms	Description
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of 17,17,200 Equity Shares, which was made available for allocation to Retail Individual Bidders. (subject to valid Bids having been received at or above the Issue Price).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital Fund) Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
SME Exchange	SME Platform of the NSE i.e. “ <b>NSE Emerge</b> ”
Specified Locations	Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI ( <a href="https://www.sebi.gov.in/">https://www.sebi.gov.in/</a> ) and updated from time to time.
Specified Securities	Equity shares offered through this Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of 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 October 12, 2023 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata,

<b>Terms</b>	<b>Description</b>
	Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Hem Finlease Private Limited
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, (Repeal) 2021, as amended from time to time.
Underwriting Agreement	The Agreement dated October 12, 2023 entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NPCI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with (i) the circulars issued by the National Stock Exchange of India Limited having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022; and (ii) the circulars issued by BSE having reference no. 20220722-30 dated July 22, 2022 and reference no. 20220803-40 dated August 3, 2022; and any subsequent circulars or notifications issued by SEBI, BSE or National Stock Exchange of India Limited in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/ VCF	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

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

<b>Term</b>	<b>Description</b>
B2B	Business to Business
Bn	Billion
CNG	Compressed Natural Gas
DFC	Dedicated Freight Corridor
DG Sets	Diesel Generator Sets
ESH	Environment Health and Safety
EMEs	Emerging Market Economies
EN Standards	European Standards
CHEMEXCIL	Chemicals Cosmetics & Dyes Export Promotion Council
KL	Kilo Litre
PH	Potential of Hydrogen
ISO	International Organisation of Standardisation
HDPE	High density polyethylene
HPLC	High Performance Liquid Chromatography
GC	Gas Chromatography
SS Chambers	Stainless Steel Chamber
20TR	20 Ton of Refrigeration
NDA	Non-Disclosure Agreement

### **Conventional terms and Abbreviations**

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

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

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

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



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

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

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

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

### **Certain Conventions**

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Paragon Fine And Speciality Chemical Limited. All references in the Prospectus to “India” are to the Republic of India. All references in the Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

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

### **Use of Financial Data**

Unless stated otherwise, throughout this Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Prospectus is derived from our restated financial information prepared for the stub period ended June 30, 2023 and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 157 of this Prospectus.

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 157 of this Prospectus. As on date of the Prospectus we don’t have any subsidiaries. Our fiscal year commences on April 1 of every year and ends on March 31 of every next year.

For additional definitions used in this Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 272 of the Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

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

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

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

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

### **Currency of Financial Presentation**

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

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 24, 104, and 201 respectively of this Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

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

## **FORWARD LOOKING STATEMENTS**

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

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

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

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 24, 104 and 201 respectively of the Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

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

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

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

We are engaged in the business of custom synthesis and manufacturing of chemical intermediates involving complex and differentiated chemistry. We commenced business as a partnership firm in the year 2003 and have, over the years, evolved into custom synthesis and manufacturing of Pharma Intermediates, AGRO intermediates, Cosmetics Intermediates, Pigment Intermediates and Dye Intermediates etc. for a diverse base of Indian and global customers. We work with an approach towards chemistry combined with technology and systems that would lead to sustained product development.

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

India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). The chemicals industry in India covers more than 80,000 commercial products with overall market size standing at US\$ 178 billion in 2018-19. The industry is expected to grow at 9.3% to reach US\$ 304 billion by 2025 on the back of rising demands in the end-user segments for specialty chemicals and petrochemicals. The specialty chemicals sector is expected to reach US\$ 40 billion by 2025.

### **C. PROMOTERS**

Dr. Pravinchandra Jasmat Vasolia, Vallabh Ratanji Savaliya, Kishorkumar Panchabhai Patolia, Rutesh Vallabhbhai Savalia and Shivam Kishorbhai Patolia

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

This is an Initial Public Issue of upto 51,66,000 Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ 100/- per Equity Share (including a share premium of ₹ 90/- per Equity Share) aggregating to ₹ 5,166.00 lakhs (“**The Issue**”), out of which 2,61,600 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 100/- per Equity Share aggregating up to ₹ 261.60 Lakhs will be reserved for subscription by the market maker to the issue (the “**Market Maker Reservation Portion**”). The Issue less Market Maker Reservation Portion i.e., Issue of 49,04,400 Equity Shares of face value of ₹ 10 each, at an issue price of ₹ 100/- per Equity Share for cash, aggregating to ₹ 4,904.40 lakhs is hereinafter referred to as the “**Net Issue**”. The Issue and Net Issue will constitute 26.40% and 25.07 % respectively of the post- issue paid-up Equity Share capital of our Company.

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

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

<b>Sr. No</b>	<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
1.	Funding capital expenditure towards civil construction work in the existing premises of factory	100.06
2.	Repayment in full or in part, of certain of our outstanding borrowings;	1290.00
3.	Funding Capital Expenditure towards installation of additional plant and machinery for Expansion.	787.42
4.	Funding to meet working capital requirements	1300.00
5.	General Corporate Purpose.	1220.90
	<b>Total</b>	<b>4698.38</b>

*For further details please refer to the chapter titled “Object of the Issue” beginning on page 68 of this Prospectus*

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

Our Promoters and Promoter Group collectively 1,44,00,000 Equity shares of our Company aggregating to 100.00% of the pre-issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Prospectus:

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	%	Shares Held	%
	<b>Promoters</b>				
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	34.00	48,96,000	25.02
2	Kishorkumar Panchabhai Patolia	31,20,000	21.67	31,20,000	15.95
3	Vallabh Ratanji Savaliya	23,04,000	16.00	23,04,000	11.78
4	Shivam Kishorbhai Patolia	12,00,000	8.33	12,00,000	6.13
5	Rutesh Vallabhbhai Savalia	11,52,000	8.00	11,52,000	5.89
	<b>Sub Total (A)</b>	<b>1,26,72,000</b>	<b>88.00</b>	<b>1,26,72,000</b>	<b>64.77</b>
	<b>Promoter Group</b>				
6	Zankar Vallabhbhai Savalia	11,52,000	8.00	11,52,000	5.89
7	Heamanshi Pravinbhai Vasoliya	1,44,000	1.00	1,44,000	0.74
8	Priyadarshna Kishorkumar Patolia	1,44,000	1.00	1,44,000	0.74
9	Bansari Kishorbhai Patolia	1,44,000	1.00	1,44,000	0.74
10	Nitaben Pravinchandra Vasolia	1,44,000	1.00	1,44,000	0.74
	<b>Sub Total (B)</b>	<b>17,28,000</b>	<b>12.00</b>	<b>17,28,000</b>	<b>8.83</b>
	<b>Grand Total (A+B)</b>	<b>1,44,00,000</b>	<b>100.00</b>	<b>1,44,00,000</b>	<b>73.60</b>

## G. SUMMARY OF FINANCIAL INFORMATION

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

Particulars	(₹ in Lakhs)			
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Equity Share Capital	360.00	360.00	10.00	10.00
Net worth	2,595.67	2,233.52	1,244.31	795.29
Total Income	2,900.43	10,501.19	8,457.92	8,436.94
Profit after tax	362.16	989.21	449.02	439.77
Earnings per Share	2.51	6.87	3.12	3.05
Net Asset Value per Share (Based on Weighted Average Number of Shares)	18.03	15.51	8.64	5.52
Total Borrowings	2,709.67	2,521.03	2,068.16	2,193.00

## H. AUDITOR QUALIFICATIONS

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

## I. SUMMARY OF OUTSTANDING LITIGATIONS

*Litigations/ Matters against our Company:*

Nature of Litigation	Number of Cases Outstanding	Amount in dispute/demanded to the extent ascertainable (Amount in Lakhs)
<b>Against the Company</b>		
Taxation Liabilities (direct Tax Cases)	1	Unascertainable <sup>#</sup>

*# The Company has been issued an Order under section 148A (d) of the Income Tax Act, 1961. According to the department, there has been an escape of assessment for an income (related to imported goods) amounting to Rs. 1,77,28,000/-. Subsequently, a notice has been issued under section 142 of the Income Tax Act, 1961, requiring to furnishing of documents related to the imported goods. As on date there is no demand which has been raised by the Income Tax department.*

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus.*

## J. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “**Risk Factors**” beginning on page 24 of this Prospectus.

## **K. SUMMARY OF CONTINGENT LIABILITIES**

As on date of the prospectus, there are no contingent liabilities.

## **L. SUMMARY OF RELATED PARTY TRANSACTIONS**

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

### **AA RELATED PARTY DISCLOSURE**

#### **(a) List of Related parties**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

<b>Sr. No.</b>	<b>Name of the Person / Entity</b>	<b>Relation</b>
1	Vallabhbhai Ratanji Savaliya	Whole Time Director
2	Kishorkumar Panchabhai Patolia	Whole Time Director
3	Dr. Pravinchandra Jasmat Vasolia	Managing Director
4	Rutesh Vallabhbhai Savalia	Whole Time Director
5	Bansari Kishorbhai Patolia	Relative of KMP
6	Heamanshi Pravinbhai Vasoliya	Relative of KMP
7	Nitaben Pravinchandra Vasolia	Relative of KMP
8	Priydarshna Kishorkumar Patolia	Relative of KMP
9	Chemtech Dyes And Intermediates	Entity in which KMP are interested
10	Papillion Impex Private Limited	Company in which KMP are interested
11	Hindpragon Polyresins Pvt. Ltd.	Company in which KMP are interested
12	Parasonic Industries	Entity in which KMP are interested
13	Parabolic Industries	Entity in which KMP are interested

#### **(b) Transaction with related Parties:**

(Rs. In lakhs)

<b>SI No.</b>	<b>Particulars</b>	<b>FOR THE YEAR/ PERIOD ENDED</b>			
		<b>30.06.2023</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>1</b>	<b>Remuneration Paid to Directors</b>				
i)	Vallabhbhai Ratanji Savaliya	15.00	60.00	120.00	120.00
ii)	Kishorkumar Panchabhai Patolia	15.00	60.00	120.00	120.00
iii)	Dr. Pravinchandra Jasmat Vasolia	15.00	60.00	120.00	120.00
iv)	Rutesh Vallabhbhai Savalia	4.47	17.86	18.00	9.00
<b>2</b>	<b>Salary</b>				
i)	Nitaben Pravinchandra Vasolia	-	36.00	36.00	36.00
ii)	Priydarshna Kishorkumar Patolia	-	36.00	36.00	36.00
<b>3</b>	<b>Job Work Expenses</b>				
i)	Chemtech Dyes and Intermediates	6.38	151.66	211.10	143.45
<b>4</b>	<b>Sales of Goods</b>				
i)	Chemtech Dyes and Intermediates	405.40	563.54	-	-
ii)	Hindparagon Polyresins Pvt.Ltd.	-	0.51	104.38	-
<b>5</b>	<b>Purchase of Goods</b>				
i)	Chemtech Dyes and Intermediates	519.98	691.66	-	-
ii)	Hindparagon Polyresins Pvt.Ltd.	0.04			
<b>6</b>	<b>Loan Taken by the Company</b>				
i)	Vallabh Ratanji Savaliya	50.00	50.00	-	200.00
ii)	Kishorkumar Panchabhai Patolia	50.00	-	-	150.00
iii)	Dr. Pravinchandra Jasmat Vasolia	175.00	75.00	-	135.00
iv)	Papillion Impex Private Limited	-	-	2.00	-
<b>7</b>	<b>Loan Paid back by the Company</b>				
i)	Dr. Pravinchandra Jasmat Vasolia			-	25.00
ii)	Papillion Impex Private Limited		2.00		
iii)	Kishorkumar Panchabhai Patolia	112.18			



SI No.	Particulars	FOR THE YEAR/ PERIOD ENDED			
		30.06.2023	31.03.2023	31.03.2022	31.03.2021
<b>8</b>	<b>Balance Outstanding (Liability)</b>				
i)	Vallabhbhai Ratanji Savaliya	377.10	327.10	277.10	377.10
ii)	Kishorkumar Panchabhai Patolia	305.69	367.87	367.87	367.87
iii)	Dr. Pravinchandra Jasmat Vasolia	523.29	354.40	279.40	304.40
iv)	Bansari Kishorbhai Patolia	1.68	1.68	1.68	1.68
v)	Heamanshi Pravinbhai Vasoliya	1.68	1.68	1.68	1.68
vi)	Nitaben Pravinchandra Vasolia	7.70	7.70	7.70	7.70
vii)	Priyadarshana Kishorkumar Patolia	9.32	9.32	9.32	9.32
viii)	Papillion Impex Private Limited	-	-	2.00	-
<b>9</b>	<b>Balance Outstanding (Debtors &amp; Creditors)</b>				
i)	Chemtech Dyes and Intermediates	209.46 Dr.	266.01 Dr	73.42 Cr	48.55 Cr
ii)	Hindpragon Polyresins Private Limited	0.10 Dr.	0.15 Dr	27.70 Dr	-
iii)	Parasonic Industries	2.31 Cr.	2.31 Cr	2.31 Cr	2.31 Cr
iv)	Parabolic Industries	-	-	18.39 Cr	18.39 Cr

For further details, please refer to the *Note Z Related Party Disclosures* of chapter titled “*Financial Information of the Company*” on page 157 of this Prospectus.

#### M. DETAILS OF FINANCING ARRANGEMENTS

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

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

Sr. No.	Name of Promoters	Total No. of Equity Shares	Weighted Average Price (in ₹ per equity share)
1.	Dr. Pravinchandra Jasmat Vasolia	36,72,000	Nil
2.	Kishorkumar Panchabhai Patolia	23,40,000	
3.	Vallabh Ratanji Savaliya	17,28,000	
4.	Shivam Kishorbhai Patolia	12,00,000	
5.	Rutesh Vallabhbhai Savalia	8,64,000	

#### O. AVERAGE COST OF ACQUISITION OF SHARES

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	0.13
2	Kishorkumar Panchabhai Patolia	31,20,000	0.00
3	Vallabh Ratanji Savaliya	23,04,000	0.51
4	Shivam Kishorbhai Patolia	12,00,000	0.00
5	Rutesh Vallabhbhai Savalia	11,52,000	0.00

#### P. PRE IPO-PLACEMENT

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

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

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

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
July 20,	1,08,00,000	10	Nil	Bonus in	Capitalizati	Kishorkumar Panchabhai	23,40,000

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
2023				the ratio of 3:1 i.e., 3 Equity Share for every 1 Equity Shares held	on of Reserves & Surplus*	Patolia	
						Dr. Pravinchandra Jasmat Vasolia	36,72,000
						Vallabh Ratanji Savaliya	17,28,000
						Bansari Kishorbhai Patolia	1,08,000
						Priydarshna Kishorkumar Patolia	1,08,000
						Nitaben Pravinchandra Vasoliya	1,08,000
						Heamanshi Pravinbhai Vasoliya	1,08,000
						Rutesh Vallabhbhai Savalia	8,64,000
						Zankar Vallabhbhai Savalia	8,64,000
						Shivam Kishorbhai Patolia	9,00,000
						<b>Total</b>	<b>1,08,00,000</b>

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

#### **R. SPLIT/ CONSOLIDATION OF EQUITY SHARES**

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

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

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

### **SECTION III – RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Prospectus, particularly the **“Financial Information of the Company”** and the related notes, **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** on page 157, 104 and 201 respectively of this Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

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

This 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 Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

#### **Materiality**

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

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

#### **Note:**

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

In this Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in **“Risk Factors”** on page 24 and **“Management Discussion and Analysis of Financial Condition and Results of Operations”** on page 201 of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the **“Restated Financial Statements”** on page 157 of this Prospectus.

1. ***Our operations are dependent on our R&D capabilities and an inability to continue to design complex chemistries may adversely affect our business***

Our operational sustainability is intricately linked to our capacity to achieve cost-efficiency and drive improvements through our research and development (R&D) endeavour’s. The complexity of the chemistries we work with holds a crucial role in maintaining our competitive edge. This depends on a variety of factors, including successful development and application of technologies, hiring and training of qualified personnel, production, certification, identification of emerging trends in our target end markets; and the level of demand for new products. There can be no assurance that we will be able to secure the necessary technological knowledge through our own R&D facilities, that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. We may also be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

Further the development and commercialization of improved and/or new products is complex, time-consuming and costly, and its outcome may be uncertain. Accordingly, we may have committed substantial effort, funds and other resources towards R&D activities. We cannot guarantee that the improved and/or new products we will introduce in the future will be successful or will continue to be successful. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. There can be no assurance that our expenditure on research and development activities will yield proportionate results or that commercially viable products may be developed as a result of such research and development activities. In the event that such products are unsuccessful, we may lose some or all of the investments that we have made in developing them.

Further, our competitors may develop competing processes that gain market acceptance before or instead of our products. We are also dependent on skilled workforce and technical expertise for our R&D capabilities and the loss of the services of such skilled personnel or our inability to recruit or train a sufficient number of experienced personnel may have an adverse effect on our financial results and business prospects.

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

We conduct our operations through our manufacturing facility situated at Viramgam District, Ahmedabad, Gujarat. Our Manufacturing Facility is spread across approximately 7000 square meters. The core of our business relies on efficient management of the manufacturing facility, however our operations face a spectrum of operational risks, some of which are beyond our control, such as the breakdown, failure of equipment or industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our reactors, our process systems, our IT systems may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair our assets and systems in a timely manner or at all, our operations may need to be suspended until we procure the appropriate assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. Success of our operations depend on availability of labour and good relationships with our labour force. As of the date of this 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.

**3. *We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances***

Our manufacturing processes involve manufacturing, handling, storage and transportation of various hazardous substances such as our raw materials include anthraquinone disulfonic acid di sodium, dithiosalicylic acid, cleave acid, anthraquinone, dichloro, nitroaniline, sulfonic acid, nitrophenol hydroquinone, meta phenylene diamine, gamma acid, beta naphthol, vinly sulphone, methyl, diaminoazobenzene, propylene diamine, sodium naphthionate etc. As a result, we are required to obtain approvals from relevant authorities for usage of these hazardous materials. However, these operations pose inherent operating risks related to the handling of such substances such as possibility for leakages, ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which could lead to personal injury, property damage and contaminating environment. These risks are particularly concerning, as they could result in interruptions to our business operations. Additionally, some of our manufacturing processes generate pollutants and waste, some of which may be hazardous and harmful to the environment. This further exposes us to potential risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause industrial accidents, fire, personal injury, loss of human life, damage to our and third-party property and environmental contamination. In addition, due to the hazardous nature of the raw materials and products at our manufacturing facility, risks associated with accidents, including as a result of natural calamities, are exacerbated.

In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of our manufacturing facility and expose us, our employees and management to civil or criminal liability, including significant penalties, which could have an adverse effect on our results of operations and financial position. Moreover, certain environmental laws impose strict liability for accident/ damages resulting from hazardous substances and any failure to comply with such laws may lead to penalties, fines and imprisonment. Further in case any adverse action is taken against our Company, the same may have a material adverse impact on our reputation and our customer arrangement with customers.

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

Our customer base currently comprises a host of international and domestic companies. During the stub period ended on June 30, 2023 and for Fiscal 2023, 2022 and 2021, our top 10 customers contributed approximately 67.61%, 70.23%, 79.67% and 80.76% of our revenue from operations respectively. We expect that we will continue to be reliant on our major customers in future. Accordingly, any failure to retain these customers and/or negotiate on terms that are commercially viable, with these select customers, could adversely affect our business, financial condition and results of operations. In addition, any defaults or delays in payments by a major customer or the insolvency or financial distress by a major customer may have an adverse effect on business, financial position and results of operations. We have entered into contracts/ agreements with a few of our customers which can be terminated by our customers with or without notice. The termination of such contracts/ agreements could adversely affect our business, financial condition and results of operations. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs with regard to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts/ agreements or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer, which include those customers who may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and prospects. We typically do not enter into long-term agreements with majority of our customers, and an inability to continue to engage with them would have a material adverse effect on our business, results of operations and financial condition.

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

Generally, our intermediates cater to the various industries such as the including Pharma, Agrochemicals Cosmetics, Textile, specialty pigments and dyes, additives and polymer. 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 the stub period ended June 30, 2023 and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021.

	<b>(Rs in lakhs)</b>			
<b>Product Segment</b>	<b>June 30, 2023</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
Agro intermediates	528.53	915.64	1,478.56	360.95
cosmetics Intermediates	103.80	630.07	590.15	575.32
Dyes intermediates	958.81	7,044.37	5,187.98	6,565.87
Pharma intermediates	254.91	6.66	6.31	4.84
Pigment Intermediates	-	108.39	-	27.32
Specialty Intermediates	1023.19	1,460.57	996.03	664.63
Others	9.62	60.92	23.91	126.62
<b>Total</b>	<b>2878.86</b>	<b>10,226.62</b>	<b>8,282.94</b>	<b>8,325.55</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:

- seasonality of demand for our customers' products, which may cause our manufacturing capacities to be underutilised during specific periods;
- our customers' failure to successfully market their products or to compete effectively;
- 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;
- loss of market share, which may lead our customers to reduce or discontinue the purchase of our products;

- e. economic conditions of the markets in which our customers operate;
- f. regulatory issues faced by these industries in India and internationally;
- g. downturns or industry cycles that impact demand; and
- h. changes in technology or consumer tastes and requirements that alter demands for our products.


**6. *We do not hold patents for any of our processes and our trademark application for our logo is opposed. There might be insufficient protection for our intellectual property rights, potentially leading to significant negative impact on our business and results of operations.***

Our continued commercial success depends on our ability to protect our processes and to obtain intellectual property rights. As of the date of this Prospectus, none of our processes are patented, and competitors may be able to imitate these process technologies and erode or negate any competitive advantage we may have, which could adversely affect our business and ability to continue to achieve profitability. Further, there can be no assurance that any patent applications that we may make in the future will mature into granted patents, or that such patents, if issued, will provide us with adequate proprietary protection or competitive advantages.

As a result, we cannot be certain that our technical knowledge will continue to remain confidential. Certain technical knowledge may be leaked, either inadvertently or wilfully, at various stages of the manufacturing process. A significant number of our employees have access to confidential processes and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may resign from our company and join our competitors. The agreements with our customers also include clauses on confidentiality, however, there can be no assurance that such agreements will be successful in protecting our technical knowledge. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects. If we fail to protect the intellectual property associated with our in-house developed processes, we may not be able to claim registered ownership of such processes, and consequently, we may be unable to seek remedies for infringement of those processes by third parties.

As on the date of this Prospectus, we do not own any registered trademarks. Our Company had filed registration applications



for the logo “” under class 1 and class 35 of Trademarks Act, 1999, however the said application is opposed on grounds that same/similar trade mark(s) is/are already on record of the register for the same or similar goods/services. Further we have applied for wordmark registration “Energising Chemistry” under class 1 and class 35 of Trademarks Act, 1999. We cannot assure you that the said objection will be resolved and that we will be granted registration for our logo or for our wordmark application. If our intellectual property rights are inadequate or if we otherwise fail to sufficiently protect our intellectual property, our business, financial condition and results of operations could be adversely affected.

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

We have historically derived a significant portion of our revenues from operations from export to countries like: America, Israel, Spain, United Kingdom, China, Switzerland, Taiwan, Netherlands, Thailand, Mexico, Japan, Russia, France, Indonesia, Latvia, Germany etc. During the stub period ending June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our revenues from our exports amounted to 1,031.47 ₹ 3,464.02 lakhs, ₹ 4,470.74 lakhs and ₹ 5,213.82 respectively, which constituted 35.83% 33.87%, 53.98% and 62.62% respectively, of our total revenues from operations. Therefore, any developments in the global chemical industry or the industries in which our customers operate could have an impact on our sales from exports. For instance, there was unrest in Ukraine due to outbreak of war between Russia and Ukraine which began on February 24, 2022. Accordingly, all our exports in European countries had disrupted and we were facing challenges or delays for our payments. If such severity persists or similar war like situations occurs between countries across the globe in future our revenue from export may be affected. Further from time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries where we export, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

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

- Social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action, which may adversely affect our business and operations;

- Compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labour and accounting laws, which may impose onerous and costly obligations on our multinational customers.
- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export licence requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies and
- Fluctuations in foreign currency exchange rates against the Indian Rupee

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

**8. *The restated financial statements have been provided by peer reviewed chartered accountants who is not statutory auditor of our Company.***

The restated financial statements of our Company for the financial year ended March 31 2023, 2022 and 2021 have been furnished by a peer-reviewed chartered accountant who is not the statutory auditor of our Company. While our statutory auditor possesses a valid peer-reviewed certificate, due to their existing commitments, the task of providing the restated financial statements was entrusted to the aforementioned peer-reviewed chartered accountant.

**9. *The names of our Promoter and Whole Time Director, Kishorkumar Panchabhai Patolia and our Non-Executive Director, Dr. Soumitra Sachipati Banerjee were appearing in the list of disqualified directors in the past.***

Our Promoter and Whole Time Director, Kishorkumar Panchabhai Patolia and our Non-Executive Director, Dr. Soumitra Sachipati Banerjee were disqualified from directorship from November 01, 2016 to October 31, 2021 by Registrar of Companies, Ahmedabad in relation to their past directorship in Papillion Impex Private Limited which did not file financial statements or annual returns for continuous period of three (3) financial years. However, Papillion Impex Private Limited was struck off from records of ROC vide notice of striking off and dissolution dated October 26, 2021 and the respective period of disqualification from directorship for our promoters has also ended on October 31, 2021.

While Kishorkumar Panchabhai Patolia and Dr. Soumitra Sachipati Banerjee are not presently disqualified to be directors, there is no assurance that statutory or regulatory actions or legal proceeding will not be initiated against any of them. In future, in case of any actual or alleged non-compliance with regulatory requirements, our Promoters Kishorkumar Panchabhai Patolia and Dr. Soumitra Sachipati Banerjee could be subject to investigations and administrative or judicial proceedings that may result in substantial penalties and/ or diversion of management's attention which could negatively affect our reputation and may have a material adverse effect on our business operations.

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

All our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers. Given the nature of our products and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in intermediates manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products. This may lead to cancellation of supply orders or non-renewal of agreements by our customers. As a result, any failure on our part to maintain applicable standards and manufacture products according to prescribed quality specifications, may lead to loss of reputation of our Company, cancellation of the order, loss of customers, rejection of the product, which will require us to incur additional cost to replace the rejected product, all or any of which could have adverse effect on our business and financial condition. Additionally, it could expose us to monetary liability and/ or litigation. Further our facilities, process and products are exposed to regular inspection and audits by our customers to ensure that their internal standards are appropriately met. Any non-compliance observed during inspection/audit may have an adverse

impact on our business, financial condition, results of operations and future prospects. Any negative publicity regarding our Company or our products could adversely affect our reputation, our operations and our results from operations.

**11. *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 June 30, 2023 and for the FY 2022-23, 2021-22 and 2020-21 our inventories were ₹ 2,707.55 ₹ 2,225.56 lakhs, ₹ 1,266.36 lakhs and ₹ 140.47 lakhs.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the stub period ended June 30, 2023 and for the FY 2022-23, 2021-22 and FY 2020-21 our trade receivables were ₹ 2,341.29 ₹ 2,710.98 lakhs, ₹ 2,156.71 lakhs and ₹ 2,953.99 lakhs. 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.

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

Our financial statements are prepared in Indian Rupees and our business involves transactions with foreign companies which is received or paid in U.S. Dollars, EURO and other foreign currencies. Our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies. Accordingly, we have currency exposures relating to buying and selling in currencies other than in Indian Rupees. A depreciation of Rupee against these foreign currencies would mean that our import of raw materials would become expensive and will impact our profitability. Similarly, any appreciation of Rupee against these foreign currencies would mean that our sales become cheap. During the stub period ending June 30, 2023, Fiscal 2023 and Fiscal 2022 the cost of raw material imported amounted to ₹ 86.63, ₹ 251.00 lakhs and ₹ 38.46 lakhs respectively, which constituted 3.45%, 3.07% and 0.58% respectively, of our total raw material purchased. Similarly during the stub period ending June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021, our revenues from our exports amounted to ₹ 1031.47, ₹ 3,464.02 lakhs, ₹ 4,470.74 and ₹ 5,213.82 lakhs respectively, which constituted 35.83%, 33.87%, 53.98% and 62.62% respectively, of our total revenues from operations. Therefore, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We have earned gains due to these fluctuations in foreign currency in the stub period ending June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 of ₹ 0.76 ₹ 126.01 lakhs, ₹ 91.59 lakhs and ₹ 33.66 lakhs respectively. The exchange rate between the Rupee and the foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. We bear the complete risk of currency exchange rate fluctuations. We are affected by fluctuations in exchange rates and we cannot assure you whether hedging or other risk management strategies will be effective. There can be no assurance that we will be able to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

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

We are subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, treatment, processing, disposal of hazardous materials, including the management of certain hazardous waste, and exposure to hazardous substances with respect to our employees, along with other aspects of our manufacturing operations. For instance, there is a limit on the amount of pollutant discharge that our manufacturing facility may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be



required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility. The occurrence of any of these events could have an adverse effect on our business, results of operations and financial condition.

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

**14. *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.

**15. *There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 1956/ 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.***

The company had not filed ROC forms such as Form CHG-1 for creation of vehicle loans taken in the past which inter-alia includes non-compliance of Section 77 of the Companies Act, 2013 and is subject to penalty under section 86 and/or other relevant provision(s) of Companies Act, 2013, as may be applicable, however our company has now repaid all such loans as on date of the Prospectus. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

**16. *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 June 30, 2023 and for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, our cost of goods sold (cost of materials consumed and changes in inventories of finished goods and work-in-progress) was ₹ 2,025.66 ₹ 7,225.02 lakhs, ₹ 5,558.02 lakhs and ₹ 5,760.93 lakhs respectively, which represented 70.36%, 70.65%, 67.10% and 69.20% of our revenue from operations. The raw materials we use in our manufacturing process are primarily sourced from third party suppliers in India and some are also imported from China. In addition, we usually do not enter into long-term supply contracts/ agreements with any of our raw material suppliers and typically source raw materials from the open market. The absence of long-term

contracts/agreements at fixed prices exposes us to volatility in the prices of raw materials that we require and we may be unable to pass these costs onto our customers, which may reduce our profit margins. We face a risk that one or more of our existing suppliers may discontinue their supplies to us, and any inability on our part to procure raw materials from alternate suppliers in a timely manner, or on commercially acceptable terms, may adversely affect our business, financial condition and results of operations.

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

Further our Company has outstanding dues of trade payables during the stub period ended June 30, 2023 and for the Fiscals 2023, 2022 and 2021 of ₹ 1,434.22, ₹ 1,714.51 lakhs, ₹ 2,062.73 lakhs and ₹ 1,474.28 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.

**17. *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.***

Although the chemical industry provides for significant entry barriers, competition in our business is based on pricing, relationships with customers, research and development, product quality, customisation, and innovation. We face pricing pressures from companies, that are able to produce chemicals 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 multinational competitors which would adversely affect our business, financial condition and results of operations. Additionally, some of our competitors in the intermediates and speciality chemicals business 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.

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

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

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

Our business operations necessitate various statutory and regulatory permits, licenses, and approvals. While we believe that we have acquired the necessary permits and licenses essential for our business operations, we cannot guarantee that we have identified every statutory or regulatory requirement that may apply to our operations. Additionally, some of these approvals have finite durations and mandate periodic renewals. We are obligated to ensure the renewal of these permits, licenses, and approvals. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Furthermore, in the past our Company was not registered under the Employees' State Insurance Act, 1948 and Provident fund Act, and did not make payments of contribution, as applicable thereunder. However, our Company has presently obtained the requisite registrations, there can be no assurance that our Company, our directors and our officers will be made liable for penalties for such non-compliance in the past.

Additionally, our company intends to do civil construction work in the existing premises of factory to install additional plant & machinery. As on date of the prospectus our company has not initiated any such construction and has not taken any approval from any authority for the said construction. Failure to obtain appropriate approvals or licenses at the requisite stages of construction or for operation of installed plant & machinery and new warehouse may affect the operations of the company and its growth prospects.

We cannot assure you that the approvals, licenses, registrations and permits required will be issued to us and those already issued will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see "**Government and Other Approvals**" on page 216 of this Prospectus.

**20. *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.

**21. *Our investments in new products may not be successful and may be less profitable or may be loss-making.***

We are investing in developing new products such Food Grade Folic Acid, which is a nutrient supplement for human and animal consumption. This product is in the stage of R&D and commercialization of the same is pending. We are also developing the product HALQUINOL which is a veterinary antibiotic and feed additive used to promote animal health and growth. It's commonly employed in livestock and poultry farming to prevent and treat various bacterial infections and improve feed efficiency. We have initiated commercial trials/ sample tests of the said product under development. We may not be able to successfully commercialize these products and our investments on the R&D of such product development may be unable to generate returns which may affect the financial performance of the company. The potential outcomes could include lower profitability or even financial losses. Various elements, like market acceptance, competition, production complexities, regulatory challenges, and unforeseen market shifts, can significantly influence the results. Although we follow a careful plan and strategy to develop our products, the development of new products is subject to number of risks including, but not limited to, our failure to develop products that meet market demands and market requirements, our failure to meet competition and our failure to comply with applicable regulation. In addition, our new products may require significant capital expenditure for development and roll out and may take substantial management time. Accordingly, our new products may not be successful for these and other reasons. Further, our investments in new products, may be less profitable than what we have experienced historically or estimated or it may be lossmaking or may consume substantial financial resources and/or may divert management's attention from existing operations, all of which could materially and adversely affect our business, results of operations and financial condition

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

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations

and the lack of reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to other government actions; and political, economic and social instability.

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

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

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

While we maintain insurance coverage namely include vehicle insurance, Marine Cargo Insurance, Udyam Suraksha Policy for Building, Furniture & Fixtures, Plant & Machinery, Fittings and other equipment and for Stock insurance, Employee's Compensation Insurance in amounts which we believe are commercially appropriate. We believe that we have adequate insurance coverage for known risks. However, for unforeseen circumstances, we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows. For further details of our Insurance Policies, please refer section titled **"Our Business"** beginning on page 104 of this Prospectus.

**25. *Our Company is involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/ them liable to liabilities/ penalties/ prosecutions and may adversely affect our business and results of operations.***

Our Company is currently involved in certain legal proceedings. The summary of outstanding litigation in relation to taxation matters against our Company has been set out below.

*Litigations/ Matters against our Company:*

<b>Nature of Litigation</b>	<b>Number of Cases Outstanding</b>	<b>Amount in dispute/demanded to the extent ascertainable (Amount in Lakhs)</b>
<b><i>Against the Company</i></b>		
Taxation Liabilities (direct Tax Cases)	1	Unascertainable <sup>#</sup>

<sup>#</sup> The Company has been issued an Order under section 148A (d) of the Income Tax Act, 1961. According to the department, there has been an escape of assessment for an income (related to imported goods) amounting to Rs. 1,77,28,000/-. Subsequently, a notice has been issued under section 142 of the Income Tax Act, 1961, requiring to furnishing of documents related to the imported goods. As on date there is no demand which has been raised by the Income Tax department.

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Prospectus*

For further details, see **"Outstanding Litigation and Material Developments"** beginning on page 213 of this Prospectus. Any adverse decisions in the aforesaid proceedings may have a material effect on our business, future financial performance and results of operations.

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

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

Freight (inward and outward) represented 0.43%, 0.72%, 2.14% and 1.53% respectively, of our total revenue from operations during the stub period ended June 30, 2023 and for Fiscal 2023, Fiscal 2022 and Fiscal 2021. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition and results of operations.

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

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

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

Although we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees, destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects. In particular, if operations at our manufacturing facility were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

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

Our Company has entered into various transactions with our directors, promoters and group companies. These transactions, inter-alia includes purchase, sales, job work, remuneration, loans and advances etc. For details, please refer to "Note Z -

**Related Party Transactions**” under Section titled **“Financial Information of the Company”** and Chapter titled **“Capital Structure”** beginning on page 188 and 56 respectively of this Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution in accordance with Companies Act 2013 and other applicable laws. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

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

Our Promoter Group Entities M/s Chemtech Dyes & Intermediates, M/s Parabolic Industries and M/s Parasonic Industries are engaged in the similar line of business, primarily manufacturing of chemicals. We will endeavour to take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future. We cannot assure you that our Promoters will not favour the interests of our promoter group entities over our interests in future or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

**31. We are dependent on our promoter and senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.**

Our performance depends largely on the efforts and abilities of our Managing Director, Dr. Pravinchandra Jasmat Vasolia and Whole Time Directors, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya, Rutesh Vallabhbbhai Savalia and Shivam Kishorbhai Patolia and our senior management and other key personnel. They have gained experience in this line of business and have over the years-built relations with suppliers, customers, regulators and other persons who are connected with us and have been actively involved in the day-to-day operations and management. Further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for Research and development activities, procurement of raw materials, successful delivery of products and our overall business operations of our Company. For details in relation to the experience of our key management personnel, see **“Our Management”** on page 132 of this Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

**32. Our Company has taken unsecured loans that may be recalled by the lenders at any time.**

Our Company have availed unsecured loans which may be called by their lenders at any time. As on June 30, 2023, the unsecured loan amounting to ₹ 1226.46 lakhs were due to promoters and their relatives. In the event that promoter seeks a repayment of any such loan, our Company would need to find alternative sources of financing to the extent of outstanding balance. Also, there is no formal agreement with promoters and their relative for such financing arrangements. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer chapter titled **“Statement of Financial Indebtedness”** beginning on page 197 of this Prospectus.

**33. We are subject to risks arising from interest rate fluctuations, which could reduce our profitability and adversely affect our business, financial condition and results of operations.**

Interest rates for borrowings have been increasing in recent times. We are availing term loan and working capital loan facilities from our bankers and any increase in interest rate and a consequent increase in the cost of servicing such debt may have an adverse effect on our results of operations and financial condition. Changes in prevailing interest rates affect our interest expense in respect of our borrowings and our interest income in respect of our interest on our deposits with banks. As on June 30, 2023, our financial assistance from banks is ₹1483.21 lakhs. For further details, please see **“Financial Indebtedness”** on page 197. Our current debt facilities carry interest at floating rates on MCLR. We do not currently enter into interest hedging arrangements to hedge against interest rate risk. Upward fluctuations in interest rates may increase our borrowing costs, which

could impair our ability to compete effectively in our business relative to competitors with lower levels of indebtedness. As a result, our business, financial condition, cash flows and results of operations may be adversely affected. In addition, we cannot assure you that difficult conditions in the global credit markets will not negatively impact the cost or other terms of our existing financing as well as our ability to obtain new credit facilities or access the capital markets on favourable terms.

**34. *Our lenders have charge over our immovable and movable properties in respect of finance availed by us.***

We have secured our lenders by creating a charge over our movable and immovable properties in respect of Working capital loan and term loan availed by us from Yes Bank Limited. We have been extended such loan against hypothecation of our Company's property and current assets. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, please refer to chapter "**Statement of Financial Indebtedness**" beginning on page 197 of this Prospectus.

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

Our capacity utilization is affected by the availability of raw materials, industry and market conditions as well as by the product requirements of, and the procurement practice followed by, our customers. In the event that we are unable to achieve full capacity utilization of our current manufacturing facilities, this would result in operational inefficiencies which may have an adverse effect on our business, financial condition, cash flows, future prospects and future financial performance. During the fiscal 2023, 2022 and 2021 our capacity utilization was 74.89%, 57.19% and 55.92%. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could adversely impact our business, growth prospects and future financial performance. For further details in relation to our capacity utilization, see "**Our Business**" on page 104 of the Prospectus.

In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently. Further information relating to capacity utilization of our production facility included in this Prospectus is based on various assumptions and estimates of our management, assumptions relating to type of product, availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization of our facilities. Undue reliance should therefore not be placed on our capacity utilization information for our existing facilities included in this Prospectus. For further information, see the section titled "**Our Business**" on page 104 of this Prospectus.

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

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled "**Objects of the Issue**". The fund requirement and deployment, as mentioned in the "**Objects of the Issue**" on page 68 of this Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "**Objects of the Issue**" is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "**Objects of the Issue**" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

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

We propose to utilize the Net Proceeds towards Funding capital expenditure towards civil construction work in the existing premises of factory, Funding Capital Expenditure towards installation of additional plant and machinery for Expansion, Funding to meet working capital requirements and general corporate purposes. For further details of the proposed objects of the Issue, see "**Objects of the Issue**" beginning on page 68. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the

SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

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

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

**39. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

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

The proposed fund requirement as detailed in the section titled **"Objects of the Issue"** is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled **"Objects of the Issue"** beginning on page 68 of this Prospectus.

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

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for late payments or non-payments for any previous year and current year will affect the financial position of the Company. For instance, our company in the past had delayed filing of GSTR1/GSTR3B due to operational reasons and accordingly paid later fees and penalties on the same. Any demand or penalty raised by the concerned GST authority for such late filing may affect the financial position of the company.

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



We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 156 of the Prospectus.

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

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

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

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

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

**45. *Our Promoters have extended personal guarantee in the loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations and thereby, impact our business and operations.***

Our Promoters Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia and Vallabh Ratanji Savaliya have extended personal guarantees in the loan facilities taken by our Company from Yes Bank Limited and may continue to provide such personal guarantee post listing. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals withdraw or terminate their co-borrowing, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details, please refer to chapter titled “*Statement of Financial Indebtedness*” beginning on page 157 of this Prospectus.

**46. *Excessive dependence on Yes Bank Limited in respect of Loan facilities obtained by our Company.***

Our company has been sanctioned term loan and cash credit facilities by Yes Bank Limited. The Company is dependent on such facilities 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 adversely affect the financial position of the Company.

**47. *We are subject to certain restrictive covenants in debt facilities provided to us by our lenders.***

We have entered into agreements for availing debt facilities from lenders. Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. For further details in this regard, please refer to chapter titled **“Statement of Financial Indebtedness”** beginning on page 197 of this Prospectus.

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

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	0.13
2	Kishorkumar Panchabhai Patolia	31,20,000	0.00
3	Vallabh Ratanji Savaliya	23,04,000	0.51
4	Shivam Kishorbhai Patolia	12,00,000	0.00
5	Rutesh Vallabhbbhai Savalia	11,52,000	0.00

For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see section titled **“Capital Structure”** beginning on page 56 of this Prospectus.

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

Our promoters along with the promoter group will continue to hold collectively 73.60% of the post issue paid up share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters and promoter group will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**50. 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 favourable 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 favour 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.

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

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

**52. *Certain data mentioned in this Prospectus has not been independently verified.***

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

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within six (6) Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing

## **EXTERNAL RISK FACTORS**

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

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

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

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

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

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

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

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

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

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

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "**Government and Other Statutory Approvals**" on page 216 for details of the laws currently applicable to us. The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see "**Outstanding Litigation and Material Developments**" on page 213. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

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

The Finance Act, 2022 ("Finance Act"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("DDT"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors

should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2023, which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

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

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

**61. *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.

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

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

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

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

## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)(2)</sup></b>	Issue of 51,66,000* Equity Shares of face value of ₹10 each fully paid-up of our Company.
<b>Out of which:</b>	
<b>Issue Reserved for the Market Makers</b>	2,61,600* Equity Shares aggregating to ₹ 261.60 Lakhs.
<b>Net Issue to the Public</b>	49,04,400* Equity Shares aggregating to ₹ 4,904.40 Lakhs.
<b>Out of which*</b>	
A. QIB Portion <sup>(3)(4)</sup>	24,51,600* Equity Shares aggregating up to ₹ 2,451.60 lakhs.
<b>Of which</b>	
i) Anchor Investor Portion	14,70,000* Equity Shares aggregating up to ₹ 1,470.00 lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	9,81,600* Equity Shares aggregating up to ₹ 981.60 lakhs.
B. Non-Institutional Portion	7,35,600* Equity Shares aggregating up to ₹ 735.60 lakhs
C. Retail Portion	17,17,200* Equity Shares aggregating up to ₹ 1,717.20 lakhs
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	1,44,00,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	1,95,66,000 Equity Shares of face value ₹10 each
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled <b>“Objects of the Issue”</b> on page 68 of this Prospectus.

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

Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 14, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on July 19, 2023
- 3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e., not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.
- 4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company, in consultation with the Book Running Lead Manager, has allocate up to 60% of the QIB Portion (i.e., 14,70,000 Equity Shares) to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, please refer section titled **“Issue Procedure”** beginning on page 247 of this Prospectus.

**SUMMARY OF OUR FINANCIAL STATEMENTS**

**ANNEXURE-I**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

**(Rs. In Lakhs)**

<b>PARTICULARS</b>		<b>30-06-2023</b>	<b>31-03-23</b>	<b>31-03-22</b>	<b>31-03-21</b>
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>				
1.	Shareholders' Funds				
(a)	Share Capital	360.00	360.00	10.00	10.00
(b)	Reserves & Surplus	2,235.67	1,873.52	1,234.31	785.29
(c)	Share Application Money		-	-	-
		<b>2,595.67</b>	<b>2,233.52</b>	<b>1,244.31</b>	<b>795.29</b>
2.	Non-Current Liabilities				
(a)	Long Term Borrowings	1,570.43	1,442.12	1,368.34	1,177.72
(b)	Deferred Tax Liabilities (Net)	29.02	27.54	20.90	10.58
(c)	Long term Liabilities	13.61	18.37	15.95	10.21
		<b>1,613.06</b>	<b>1,488.04</b>	<b>1,405.19</b>	<b>1,198.51</b>
3.	Current Liabilities				
(a)	Short Term Borrowings	1,139.24	1,078.91	699.82	1,015.28
(b)	Trade Payables				
	(A) outstanding dues of micro enterprises and small enterprises; and	-	114.68	593.17	541.00
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	1,434.22	1,599.83	1,469.55	933.28
(c)	Other Current Liabilities	301.46	311.81	329.05	404.86
(d)	Short Term Provisions	328.54	271.06	9.43	95.05
		<b>3,203.45</b>	<b>3,376.29</b>	<b>3,101.03</b>	<b>2,989.46</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,412.19</b>	<b>7,097.84</b>	<b>5,750.53</b>	<b>4,983.26</b>
<b>B)</b>	<b>ASSETS</b>				
1.	Non-Current Assets				
(a)	Property, Plant and Equipment and Intangible assets				
	I)Property, Plant and Equipment				
	(i) Gross Block	1,523.12	1,439.38	1,378.70	1,080.46
	(ii) Depreciation	523.16	501.60	420.20	425.65
	(iii) Net Block	999.96	937.78	958.50	654.81
	II) Intangible Assets	-	-	-	-
	III) Capital Work-in-Progress	-	-	-	-
	IV) Intangible assets under development	-	-	-	-
(b)	Non-Current Investment	0.05	0.05	0.05	0.05
(c)	Deferred Tax Assets (Net)	-	-	-	-
(d)	Long Term Loans and Advances	-	-	-	-
(e)	Other Non-Current Assets	55.70	51.70	51.41	30.29
		<b>1,055.70</b>	<b>989.53</b>	<b>1,009.97</b>	<b>685.15</b>
2.	Current Assets				
(a)	Trade Receivables	2,341.29	2,710.98	2,156.71	2,953.99
(b)	Cash and Cash equivalents	457.77	128.92	60.42	132.36
(c)	Inventories	2,707.55	2,225.56	1,266.36	140.47
(d)	Short-Term Loans and Advances	88.03	10.47	110.03	36.66
(e)	Other Current Assets	761.84	1,032.39	1,147.04	1,034.62
		<b>6,356.48</b>	<b>6,108.31</b>	<b>4,740.56</b>	<b>4,298.11</b>
	<b>TOTAL ASSETS</b>	<b>7,412.19</b>	<b>7,097.84</b>	<b>5,750.53</b>	<b>4,983.26</b>



**ANNEXURE – II**

**RESTATED STATEMENT OF PROFIT AND LOSS**

**(Rs. in Lakhs)**

<b>PARTICULARS</b>		<b>30-06-2023</b>	<b>31-03-23</b>	<b>31-03-22</b>	<b>31-03-21</b>
1	Revenue From Operations	2,878.86	10,226.62	8,282.94	8,325.55
2	Other Income	21.57	274.57	174.98	111.39
	Total Income (1+2)	2,900.43	10,501.19	8,457.92	8,436.94
3	Expenditure				
(a)	Cost of Material Consumed	1,883.64	7,447.96	6,211.95	5,759.18
(b)	Change in inventories of finished goods, work in progress and stock in trade	142.02	(222.93)	(653.94)	1.75
(c)	Employee Benefit Expenses	105.95	514.76	653.47	644.44
(d)	Finance Cost	38.96	118.22	75.14	70.42
(e)	Depreciation and Amortisation Expenses	21.56	82.79	69.99	60.36
(f)	Other Expenses	221.32	1,203.87	1,484.23	1,298.20
4	Total Expenditure 3(a) to 3(f)	2,413.45	9,144.67	7,840.85	7,834.34
5	Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)	486.98	1,356.52	617.08	602.60
6	Exceptional and Extra-ordinary items	-	-	-	-
7	Profit/(Loss) Before Tax (5-6)	486.98	1,356.52	617.08	602.60
8	Tax Expense:				
(a)	Tax Expense for Current Year	121.09	360.95	157.74	160.13
(b)	Short/(Excess) Provision of Earlier Year	2.26	(0.28)	-	-
(c)	Deferred Tax	1.48	6.65	10.32	2.70
	Net Current Tax Expenses	124.82	367.32	168.06	162.83
9	Profit/(Loss) for the Year (7-8)	362.16	989.21	449.02	439.77
10	Basic Earning Per Share	2.51	6.87	3.12	3.05
11	Diluted Earning Per Share	2.51	6.87	3.12	3.05

## ANNEXURE III

## RESTATED CASH FLOW STATEMENT

(Rs. in Lakhs)

PARTICULARS	FOR THE YEAR/ PERIOD ENDED			
	30-06-2023	31-03-23	31-03-22	31-03-21
	Rupees	Rupees	Rupees	Rupees
A) Cash Flow From Operating Activities :				
Net Profit before tax	486.98	1,356.52	617.08	602.60
Adjustment for :				
Depreciation and amortization	21.56	82.79	69.99	60.36
Interest Paid	38.96	118.22	75.14	70.42
Interest Income	(0.63)	(0.16)	(0.87)	(3.64)
Short/ Excess provision Written off				
Deferred Tax Liabilities (Net)				
(Profit)/Loss on sale of Car	-	(3.39)	(22.26)	3.39
Income Tax Provision				
<b>Operating profit before working capital changes</b>	<b>546.87</b>	<b>1,553.98</b>	<b>739.07</b>	<b>733.13</b>
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	369.69	(554.27)	797.28	(825.63)
(Increase)/Decrease in Inventory	(481.99)	(959.20)	(1,125.89)	42.59
(Increase)/Decrease in Short Term Loans & Advances	(77.57)	99.56	(73.37)	100.17
(Increase)/Decrease in Other Current Assets	270.55	114.66	(96.20)	(598.03)
Increase/(Decrease) in Trade Payables	(280.30)	(348.22)	588.45	(466.39)
Increase/(Decrease) in Other Current Liabilities	(10.35)	(17.25)	(143.91)	198.31
Increase/(Decrease) in Short Term Provisions, etc	(14.67)	5.71	6.79	(1.04)
Increase/(Decrease) in Long Term Liability	4.76	2.42	5.74	5.09
<b>Cash generated from operations</b>	<b>317.47</b>	<b>(102.60)</b>	<b>697.97</b>	<b>(811.80)</b>
Direct Taxes Paid	(51.19)	(104.75)	(173.97)	(105.75)
Net cash flow from operating activities	A	<b>266.28</b>	<b>(207.35)</b>	<b>(917.55)</b>
<b>B) Cash Flow From Investing Activities :</b>				
Purchase of Fixed Assets including of CWIP	(83.74)	(79.77)	(402.54)	(215.56)
Sale of Fixed Assets		21.10	51.12	139.83
(Purchase)/Sale of investments (Other non current Asset)	(4.00)	(0.28)	(21.12)	13.42
Dividend Income				
Interest Income	0.63	0.16	0.87	3.64
<b>Net cash flow from investing activities</b>	B	<b>(87.11)</b>	<b>(58.80)</b>	<b>(58.67)</b>
<b>C) Cash Flow From Financing Activities :</b>				
Proceeds from Issue of Share Capital				
Increase/(Decrease) in Short Term Borrowings	60.33	379.09	(339.76)	504.94
Increase/(Decrease) in Long Term Borrowings	128.31	73.78	190.62	440.23
Interest Paid	(38.96)	(118.22)	(75.14)	(70.42)
Share Money Pending Allotment				-
Adjustment in reserve and surplus			-	-
Net cash flow from financing activities	C	<b>149.68</b>	<b>334.65</b>	<b>(224.28)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	(A+B+C)	328.85	68.50	(71.94)
Cash equivalents at the beginning of the year		128.92	60.42	132.36
<b>Cash equivalents at the end of the year</b>		<b>457.77</b>	<b>128.92</b>	<b>60.42</b>

## Notes:

1.

	30-06-2023	31-03-23	31-03-22	31-03-21
Component of Cash and Cash equivalents				
Cash on hand	5.49	2.80	1.25	1.03
Balance With banks	452.29	126.12	59.17	131.33
<b>Total</b>	<b>457.77</b>	<b>128.92</b>	<b>60.42</b>	<b>132.36</b>

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

## GENERAL INFORMATION

### **Brief Summary:**

Our company was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of “M/s. Devarshi Dyechem, pursuant to a deed of partnership dated February 02, 2003, entered between Manubhai Mongabhai Prajapati, Sureshbhai Natvarlal Patel and Kusumben Prahladbhai Patel. Thereafter, the said partnership firm was purchased by two of our existing promoters, Vallabh Ratanji Savaliya and Pravinbhai Panchabhai Patolia along with Pravinchandra Jasmat Vasolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha pursuant to a deed of partnership dated February 26, 2004. The name of the partnership firm was then changed to M/s. Paragon Industries. Thereafter a deed of partnership dated April 04, 2009 was entered to admit Kishorkumar Panchabhai Patolia and to retire Pravinbhai Panchabhai Patolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha as partners. Later a deed of partnership dated November 20, 2017 was executed to admit Bansari Kishor Patolia, Priydarshna Kishorkumar Patolia, Nitaben Pravinchandra Vasolia and Heamanshi Pravinbhai Vasoliya as partners in the existing partnership firm. Further, “M/s Paragon Industries” was converted from partnership firm to a Private Limited Company under Part XXI of the Companies Act, 2013 in the name of “Paragon Fine And Speciality Chemical Private Limited” vide Certificate of Incorporation dated November 02, 2018 bearing registration no. 105071 issued by Registrar of Companies, Central Registration Centre bearing CIN U24304GJ2018PTC105071. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on July 15, 2022 and consequently the name of our Company was changed from “Paragon Fine And Speciality Chemical Private Limited” to “Paragon Fine And Speciality Chemical Limited” vide a fresh certificate of incorporation dated August 23, 2022 issued by the Registrar of Companies, Ahmedabad bearing CIN U24304GJ2018PLC105071.

Nitaben Pravinchandra Vasolia, Heamanshi Pravinbhai Vasoliya, Pravinchandra Jasmat Vasolia, Vallabh Ratanji Savaliya, Kishorkumar Panchabhai Patolia, Priydarshna Kishorkumar Patolia and Bansari Kishorbhai Patolia were the initial subscribers to the Memorandum of Association of our Company.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 128 of this Prospectus.

<b>CIN</b>	U24304GJ2018PLC105071
<b>Registration No.</b>	105071
<b>Date of Incorporation</b>	November 02, 2018
<b>Registered Office</b>	<b>Paragon Fine And Speciality Chemical Limited</b> 1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat-380054, India Tel. No.: +917935335483 <b>Email:</b> <a href="mailto:info1@paragonind.com">info1@paragonind.com</a> <b>Website:</b> <a href="http://www.paragonind.com">www.paragonind.com</a>
<b>Designated Stock Exchange</b>	SME Platform of NSE “NSE Emerge”
<b>Address of the Registrar of Companies</b>	<b>Registrar of companies, Ahmedabad</b> RoC Bhavan, Opp Rupal Park Society Behind Ankur Bus Stop, Naranpura, Ahmedabad, Gujarat, India, 380013 <b>Tel No:</b> 079-27438531 <b>Email id:</b> <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a> <b>Website:</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>

### **Board of Directors:**

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

<b>Name of Directors</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Dr. Pravinchandra Jasmat Vasolia	Managing Director	A-1202 Altius vibe, Opp.Ambli BRTS Ambli Road, Ahmedabad City Ahmedabad Gujarat - 380058	02896534
Kishorkumar Panchabhai Patolia	Whole Time Director	Plot-353, Satyagrah Chhavni Soc Lane 18, Jodhpur Tekra, Ahmedabad, Gujarat-380015	00320207
Vallabh Ratanji Savaliya	Whole Time Director	B-1302 Shaligram Plush B/H Sindhubhavan, Opp Avlon Hotel Thaltej, Daskroi, Ahmedabad, Gujarat - 380059	00155542
Rutesh Vallabhbai Savalia	Whole Time Director	B-1302 Shaligram Plush B/H Sindhubhavan Opp Avlon HotelThaltej, Ahmedabad, Gujarat - 380059	08533056

Name of Directors	Designation	Address	DIN
Shivam Kishorbhai Patolia	Whole Time Director	Bungalow No.353 Satyagrah Chhavni Society Lane No. 18, Jodhpur Tekra Satellite, Ahmedabad City, Gujarat - 380015	10030825
Dr. Soumitra Sachipati Banerjee	Non-Executive Director	B-904, Prayag Residency Bodakdev Behind Grand Bhagwati Hotel Ahmedabad City, Manekbag, Gujarat India- 380015	02796216
Jasmin Jasmatbhai Patel	Independent Director	19, Keshav Residency, Near Astha Residency, 150 Feet Ring Road, Rajkot, Gujarat-360004	03030002
Insiya Qaidjohar Nalawala	Independent Director	A-103, Burhani Park, Near Canal Road, B/S Navana Pumping Station, Narol, Ahmedabad, Gujarat-382405	08436102
Kishankumar Dhirajlal Tilva	Independent Director	A-43, New York Trade Centre, Thaltej Char Rasta, Thaltej, Ahmedabad, Gujarat- 380059	09720108

For further details in relation to our directors, please refer to chapter titled **“Our Management”** on page 132 of this Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
<b>Nikita Kiritbhai Muliya</b> <b>Paragon Fine And Speciality Chemical Limited</b> <b>Address:</b> 1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat-380054, India <b>Tel. No.:</b> +917935335483 <b>Email:</b> <a href="mailto:cfo@paragonind.com">cfo@paragonind.com</a> <b>Website:</b> <a href="http://www.paragonind.com">www.paragonind.com</a>	<b>Vrunda Upendra Dattani</b> <b>Paragon Fine And Speciality Chemical Limited</b> <b>Address:</b> 1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat-380054, India <b>Tel. No.:</b> +917935335483 <b>Email:</b> <a href="mailto:cs@paragonind.com">cs@paragonind.com</a> <b>Website:</b> <a href="http://www.paragonind.com">www.paragonind.com</a>

### **Investor Grievances:**

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

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

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

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

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

Book Running Lead Manager to the Issue	Legal Advisor to the Issue
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a>	<b>Mindspright Legal</b> <b>Address:</b> 712-714, C-Wing, Trade World Tower, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai, Maharashtra – 400013 <b>Contact Person:</b> Richa Bhansali <b>Tel:</b> +91-22-42197000 <b>Email:</b> <a href="mailto:legal@mindspright.co.in">legal@mindspright.co.in</a> <b>Website:</b> <a href="http://www.mindspright.co.in">www.mindspright.co.in</a>

<b>Contact Person:</b> Roshni Lahoti <b>SEBI Reg. No.:</b> INM000010981	
<b>Registrar to the Issue</b>	<b>Statutory Auditor</b>
<b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India. <b>Tel No.:</b> +91 22 6263 8200 <b>Facsimile:</b> +91 22 6263 8299 <b>Email:</b> ipo@bigshareonline.com <b>Investor Grievance Email:</b> investor@bigshareonline.com <b>Contact Person:</b> Babu Rapheal C. <b>Website:</b> www.bigshareonline.com <b>SEBI Registration Number:</b> INR000001385	<b>Surana Maloo &amp; Co</b> <b>Chartered Accountants,</b> <b>Address:</b> 2nd Floor, Aakashganga Complex, Parimal Under Bridge, Nr Suvidha Shopping Centre, Paldi, Ahmedabad, Gujarat- 380007 <b>Tel. No.:</b> 079-26651777, 26651778, 9824093311 <b>Email:</b> harsh@suranamaloo.com or vidhansurana@suranamaloo.com <b>Firm Registration No.:</b> 112171W <b>Membership No.:</b> 124480 <b>Contact Person:</b> CA Harsh Madhogaria
<b>Peer Review Auditor **</b>	<b>Advisors to the Issue</b>
<b>M/s. K A R M A &amp; Co. LLP</b> <b>Chartered Accountants,</b> <b>Address:</b> 503, Patron, Opp Kensville Golf Academy, Rajpath Rangoli Rd, nr. S. K. Farm, PRL Colony, Bodakdev, Ahmedabad-380054 <b>Tel No.:</b> 9979997107 <b>Email:</b> jignesh@karmallp.in <b>Firm Registration No.:</b> 127544W/W100376 <b>Membership No:</b> 129149 <b>Peer Review Certificate Number:</b> 013252 <b>Contact Person:</b> CA Jignesh Dhaduk	<b>JJ IPO Advisors Private Limited</b> <b>Address:</b> 303, Shilp- II, Near Income Tax, Ashram Road, Ahmedabad-380009, Gujarat <b>Tel. No.:</b> 079-27541850, +91- 9662143429; +91- 9825065031 <b>Email:</b> info@jjipoadvisors.com <b>Contact Person:</b> Mr. Chetan Jagetiya/Mr. Jeevan Jagetiya
<b>Banker to the Company</b>	<b>Syndicate Member*</b>
<b>Yes Bank Ltd</b> <b>Address:</b> B-702, Times Square Grand, Sindhu Bhawan Marg, Ahmedabad <b>Tel No:</b> 079-69235114 <b>Email:</b> Nilesh.Patel@Yesbank.in <b>Contact Person:</b> Nilesh Patel <b>Designation:</b> Team Leader-SME KBU	<b>Hem Finlease Private Limited</b> <b>Address:</b> 203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India <b>Telephone:</b> 0141-4051000 <b>Email:</b> ib@hemsecurities.com <b>Website:</b> www.hemsecurities.com <b>Contact Person:</b> Ashok Soni <b>SEBI Registration Number:</b> INZ000167734
<b>Bankers to the Issue/ Refund Banker/ Sponsor Bank*</b>	
<b>Axis Bank Limited</b> <b>Address:</b> SG Highway Branch, Ground Floor, Opposite Rajpath Club, SG Highway, Ahmedabad-380054 Tel No: 8758101081 <b>Email:</b> archita.shah@axisbank.com <b>Website:</b> www.axisbank.com <b>Contact Person:</b> Archita Shah <b>SEBI Reg No:</b> INBI00000017 <b>CIN:</b> L65110GJ1993PLC020769	

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

\*\* In accordance with the SEBI ICDR Regulations, we have appointed M/s. K A R M A & Co. LLP, Chartered Accountants (FRN: 127544W/W100376 Peer Review Auditor vide engagement letter dated July 14, 2023 for restatement of financial statements for the year ended March 31, 2023, March 31, 2022, and March 31, 2021.

#### Designated Intermediaries:

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

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

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs/ mobile applications whose name appears on the SEBI website

[www.sebi.gov.in](http://www.sebi.gov.in) in at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

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

### **Syndicate SCSB Branches**

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

### **Registered Brokers**

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

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

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

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

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

### **Brokers to the Issue**

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

### **Expert Opinion**

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

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

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

### **Appraisal and Monitoring Agency**

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

### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

## **Credit Rating**

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

## **IPO Grading**

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

## **Debenture Trustees**

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

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

The Prospectus is being filed with NSE, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus was not filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

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

## **Book Building Process**

Book Building, in the context of the Issue, refers to the process of collection of Bids from Bidders on the basis of the Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band. The Price Band was determined by our Company in consultation with the Book Running Lead Manager, and advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Ahmedabad Express (Gujarati) 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.

**All Bidders, 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.**

In terms of SEBI ICDR Regulations, QIBs and Non-Institutional Investors were not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of number of Equity Shares or the Bid Amount) at any stage. RIIs Bidding could revise their Bid(s) during Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing date. Allocation in the issue will be made on a proportionate basis.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled **“Issue Procedure”** beginning on page 247 of the Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled **“Issue Procedure”** on page 247 of this Prospectus.

## Underwriting

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

Pursuant to the terms of the Underwriting Agreement dated October 12, 2023 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
<b>Hem Securities Limited</b> <b>Address:</b> - 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> ib@hemsecurities.com <b>Investor Grievance Email:</b> redressal@hemsecurities.com <b>Website:</b> www.hemsecurities.com <b>Contact Person:</b> Rohit Sharma <b>SEBI Registration Number:</b> INM000010981	51,66,000	5,166.00	100%

*\*Includes upto 2,61,600 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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

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

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

## Withdrawal of the Issue

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

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

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

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

## Details of the Market Making arrangement for this Issue

Our Company and the BRLM has entered into Market Making Agreement dated October 12, 2023 with the following Market Maker, to fulfill the obligations of Market Making for this issue:



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

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

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE Emerge (SME platform of NSE) and SEBI from time to time.
- The minimum depth of the quote shall be ₹1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is 1200 equity shares; however, the same may be changed by the SME platform of NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
- There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a 3 (three) months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above mentioned Market Making agreement

prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261(1) of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 A.M. to 5.00 P.M. on working days.

- **Risk containment measures and monitoring for Market Makers:** SME portal of NSE will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** NSE Emerge Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

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

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

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

## CAPITAL STRUCTURE

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

(₹ in Lakhs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 2,00,00,000 Equity Shares having Face Value of ₹ 10/- each	2000.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 1,44,00,000 Equity Shares having Face Value of ₹10/- each	1440.00	-
C	<b>Present Issue in terms of this Prospectus</b> 51,66,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ 90/- per share <sup>(1)(2)</sup>	516.60	5,166.00
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> 2,61,600 Equity Shares of ₹10/- each at a price of ₹ 100/- per Equity Share reserved as Market Maker Portion	26.16	261.60
E	<b>Net Issue to Public</b> Net Issue to Public of 49,04,400 Equity Shares of ₹10/- each at a price of ₹100/- per Equity Share to the Public	490.44	4,904.40
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Issue*</b> 1,95,66,000 Equity Shares of face value of ₹10/- each	1956.60	
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Prospectus)		Nil
	After the Issue		4649.40

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

2. The Present Issue of upto 51,66,000 Equity Shares in terms of this Prospectus has been authorized pursuant to a resolution of our Board of Directors dated July 14, 2023 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of the members held on July 19, 2023

### Classes of Shares: -

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

### NOTES TO THE CAPITAL STRUCTURE:

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

Sr. No.	Particulars of increase	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/EGM
1.	On incorporation	1,00,000	10	10.00	Upon Incorporation	N.A.
2.	Increase in Authorized Share Capital from ₹ 10.00 lakhs to ₹ 1,200.00 Lakhs	1,20,00,000	10	1,200.00	July 04, 2022	EGM
3.	Increase in authorised share capital from ₹ 1,200.00 lakhs to ₹ 2,000.00 Lakhs	2,00,00,000	10	2,000.00	July 19, 2023	EGM

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

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

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if	Consideration Cash/ Other than	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid-Up Capital (₹)
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			applicable (₹)	Cash				
Upon Incorporation	1,00,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	1,00,000	Nil	10,00,000
July 14, 2022	35,00,000	10	Nil	Nil	Bonus issue <sup>(ii)</sup>	36,00,000	Nil	3,60,00,000
July 20, 2023	1,08,00,000	10	Nil	Nil	Bonus issue <sup>(iii)</sup>	1,44,00,000	Nil	14,40,00,000

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

(i) Initial Subscribers to the Memorandum of Association subscribed 1,00,000 Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Kishorkumar Panchabhai Patolia	46,000
2.	Dr. Pravinchandra Jasmat Vasolia	30,000
3.	Vallabh Ratanji Savaliya	20,000
4.	Bansari Kishorbhai Patolia	1,000
5.	Priydarshna Kishorkumar Patolia	1,000
6.	Nitaben Pravinchandra Vasolia	1,000
7.	Heamanshi Pravinbhai Vasoliya	1,000
	<b>Total</b>	<b>1,00,000</b>

(ii) Bonus issue of 35,00,000 Equity Shares of Face Value of ₹10/- each fully paid up in the ratio of 35 (Thirty Five) equity shares for every 1 (One) equity shares held on the record date i.e. July 14, 2022 as per the details mentioned below

S. No.	Name of Allottees	Number of Shares Allotted
1.	Kishorkumar Panchabhai Patolia	10,50,000
2.	Dr. Pravinchandra Jasmat Vasolia	11,90,000
3.	Vallabh Ratanji Savaliya	560,000
4.	Bansari Kishorbhai Patolia	35,000
5.	Priydarshna Kishorkumar Patolia	35,000
6.	Nitaben Pravinchandra Vasolia	35,000
7.	Heamanshi Pravinbhai Vasoliya	35,000
8.	Rutesh Vallabhbhai Savalia	280,000
9.	Zankar Vallabhbhai Savalia	280,000
	<b>Total</b>	<b>35,00,000</b>

(iii) Bonus issue of 1,08,00,000 Equity Shares of Face Value of ₹10/- each fully paid up in the ratio of 3 (Three) equity shares for every 1 (One) equity shares held on the record date i.e. July 20, 2023 as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares Allotted
1.	Kishorkumar Panchabhai Patolia	23,40,000
2.	Dr. Pravinchandra Jasmat Vasolia	36,72,000
3.	Vallabh Ratanji Savaliya	17,28,000
4.	Bansari Kishorbhai Patolia	1,08,000
5.	Priydarshna Kishorkumar Patolia	1,08,000
6.	Nitaben Pravinchandra Vasolia	1,08,000
7.	Heamanshi Pravinbhai Vasoliya	1,08,000
8.	Rutesh Vallabhbhai Savalia	8,64,000
9.	Zankar Vallabhbhai Savalia	8,64,000
10.	Shivam Kishorbhai Patolia	9,00,000
	<b>Total</b>	<b>1,08,00,000</b>

### b) Preference Share Capital

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

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

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

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
July 14, 2022	35,00,000	10	Nil	Bonus in the ratio of 35:1 i.e. 35 Equity Share for every 1 Equity Shares held	Capitalization of Reserves & Surplus*	Kishorkumar Panchabhai Patolia	10,50,000
						Dr. Pravinchandra Jasmat Vasolia	11,90,000
						Vallabh Ratanji Savaliya	5,60,000
						Bansari Kishorbhai Patolia	35,000
						Priydarshna Kishorkumar Patolia	35,000
						Nitaben Pravinchandra Vasolia	35,000
						Heamanshi Pravinbhai Vasoliya	35,000
						Rutesh Vallabhbhai Savalia	280,000
Zankar Vallabhbhai Savalia	280,000						
<b>Total</b>							<b>35,00,000</b>
July 20, 2023	1,08,00,000	10	Nil	Bonus in the ratio of 3:1 i.e. 3 Equity Share for every 1 Equity Shares held	Capitalization of Reserves & Surplus*	Kishorkumar Panchabhai Patolia	23,40,000
						Dr. Pravinchandra Jasmat Vasolia	36,72,000
						Vallabh Ratanji Savaliya	17,28,000
						Bansari Kishorbhai Patolia	1,08,000
						Priydarshna Kishorkumar Patolia	1,08,000
						Nitaben Pravinchandra Vasolia	1,08,000
						Heamanshi Pravinbhai Vasoliya	1,08,000
						Rutesh Vallabhbhai Savalia	8,64,000
Zankar Vallabhbhai Savalia	8,64,000						
Shivam Kishorbhai Patolia	9,00,000						
<b>Total</b>							<b>1,08,00,000</b>

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

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

Except as mentioned in point 2 (ii) and (iii) above, we have not issued any Equity Share in the last two years preceding the date of Prospectus.

- No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- Except for the Bonus Issue made on July 20, 2023 for 1,08,00,000 Equity Shares as mentioned in point no. 3 above, no Equity shares have been issued at price below the Issue price within last one year from the date of the Prospectus
- We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

#### 9. Shareholding Pattern of the Company

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

**I - Our Shareholding Pattern:**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Classes	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII	XIV	
(A)	Promoters & Promoter Group	10	1,44,00,000	-	-	1,44,00,000	100	1,44,00,000	-	1,44,00,000	100	-	100	-	-	-	-	1,44,00,000
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>10</b>	<b>1,44,00,000</b>	-	-	<b>1,44,00,000</b>	<b>100</b>	<b>1,44,00,000</b>	-	<b>1,44,00,000</b>	<b>100</b>	-	<b>100</b>	-	-	-	-	<b>1,44,00,000</b>

Notes-

- As on date of this Prospectus 1 Equity share holds 1 vote. We have only one class of Equity Shares of face value of ₹ 10/- each. We have entered into tripartite agreement with CDSL & NSDL.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the Stock Exchange before commencement of trading of such Equity Shares.

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

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

Sr. No.	Names of Shareholder	Shares Held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital*
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	34.00
2	Kishorkumar Panchabhai Patolia	31,20,000	21.67
3	Vallabh Ratanji Savaliya	23,04,000	16.00
4	Shivam Kishorbhai Patolia	12,00,000	8.33
5	Zankar Vallabhbhai Savalia	11,52,000	8.00
6	Rutesh Vallabhbhai Savalia	11,52,000	8.00
7	Nitaben Pravinchandra Vasolia	1,44,000	1.00
8	Heamanshi Pravinbhai Vasoliya	1,44,000	1.00
9	Priydarshna Kishorkumar Patolia	1,44,000	1.00
10	Bansari Kishorbhai Patolia	1,44,000	1.00
	<b>Total</b>	<b>1,44,00,000</b>	<b>100.00</b>

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

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

Sr. No.	Names of Shareholder	Shares Held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital*
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	34.00
2	Kishorkumar Panchabhai Patolia	31,20,000	21.67
3	Vallabh Ratanji Savaliya	23,04,000	16.00
4	Shivam Kishorbhai Patolia	12,00,000	8.33
5	Zankar Vallabhbhai Savalia	11,52,000	8.00
6	Rutesh Vallabhbhai Savalia	11,52,000	8.00
7	Nitaben Pravinchandra Vasolia	1,44,000	1.00
8	Heamanshi Pravinbhai Vasoliya	1,44,000	1.00
9	Priydarshna Kishorkumar Patolia	1,44,000	1.00
10	Bansari Kishorbhai Patolia	1,44,000	1.00
	<b>Total</b>	<b>1,44,00,000</b>	<b>100.00</b>

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

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

Sr. No.	Names of Shareholder	Shares Held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital*
1	Dr. Pravinchandra Jasmat Vasolia	12,24,000	34.00
2	Kishorkumar Panchabhai Patolia	10,80,000	30.00
3	Vallabh Ratanji Savaliya	5,76,000	16.00
4	Zankar Vallabhbhai Savalia	2,88,000	8.00
5	Rutesh Vallabhbhai Savalia	2,88,000	8.00
6	Nitaben Pravinchandra Vasolia	36,000	1.00
7	Heamanshi Pravinbhai Vasoliya	36,000	1.00
8	Priydarshna Kishorkumar Patolia	36,000	1.00
9	Bansari Kishorbhai Patolia	36,000	1.00
	<b>Total</b>	<b>36,00,000</b>	<b>100.00</b>

\*Details of shares held on October 16, 2022 and percentage held has been calculated based on the paid-up capital of our Company as on October 16, 2022.

d) Two Year prior to the date of filing of this Prospectus: -

Sr. No.	Names of Shareholder	Shares Held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital*
1	Dr. Pravinchandra Jasmat Vasolia	34,000	34.00

Sr. No.	Names of Shareholder	Shares Held (Face Value of ₹ 10 each)	% Pre-Issue paid up Share Capital*
2	Kishorkumar Panchabhai Patolia	30,000	30.00
3	Vallabh Ratanji Savaliya	27,000	27.00
4	Rutesh Vallabhchai Savalia	5,000	5.00
5	Nitaben Pravinchandra Vasolia	1,000	1.00
6	Heamanshi Pravinbhai Vasoliya	1,000	1.00
7	Priyadarshna Kishorkumar Patolia	1,000	1.00
8	Bansari Kishorbhai Patolia	1,000	1.00
	<b>Total</b>	<b>1,00,000</b>	<b>100.00</b>

\*Details of shares held on October 16, 2021 and percentage held has been calculated based on the paid-up capital of our Company as on October 16, 2021

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

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split/consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the of our Company.

### 13. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Prospectus, Our Promoters, Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya, Rutesh Vallabhchai Savalia and Shivam Kishorbhai Patolia, collectively holds 1,26,72,000 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

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

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>(A) Dr. Pravinchandra Jasmat Vasolia</b>							
November 02, 2018	30,000	10	10	Cash	Subscription to MOA	0.21	0.15
December 04, 2019	4,000	10	82	3,28,000	Acquisition by way of Transfer of Shares <sup>(i)</sup>	0.03	0.02
July 14, 2022	11,90,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 35:1	8.26	6.08
July 20, 2023	36,72,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 3:1	25.5	18.77
<b>Total (A)</b>	<b>48,96,000</b>					<b>34.00</b>	<b>25.02</b>
<b>(B) Kishorkumar Panchabhai Patolia</b>							
November 02, 2018	46,000	10	10	Cash	Subscription to MOA	0.32	0.24
December 04, 2019	(16,000)	10	82	13,12,000	Transfer of shares <sup>(i)</sup>	(0.11)	(0.08)
July 14, 2022	10,50,000	10	Nil	Nil	Issue of Bonus Shares	7.29	5.37



Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
					in ratio of 35:1		
July 06, 2023	(3,00,000)	10	Nil	Nil	Transfer of shares by way of Gift <sup>(ii)</sup>	(2.08)	(1.53)
July 20, 2023	23,40,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 3:1	16.25	11.96
<b>Total (B)</b>	<b>31,20,000</b>					<b>21.67</b>	<b>15.95</b>
<b>(C) Vallabh Ratanji Savaliya</b>							
November 02, 2018	20,000	10	10	Cash	Subscription to MOA	0.14	0.10
December 04, 2019	12,000	10	82	9,84,000	Acquisition by way of Transfer of Shares <sup>(i)</sup>	0.08	0.06
September 21, 2021	(5,000)	10	Nil	Nil	Transfer of shares by way of Gift <sup>(iii)</sup>	(0.03)	(0.03)
June 20, 2022	(11,000)	10	Nil	Nil	Transfer of shares by way of Gift <sup>(iv)</sup>	(0.08)	(0.06)
July 14, 2022	5,60,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 35:1	3.89	2.86
July 20, 2023	17,28,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 3:1	12.00	8.83
<b>Total (C)</b>	<b>23,04,000</b>					<b>16.00</b>	<b>11.78</b>
<b>(D) Rutesh Vallabhbhai Savalia</b>							
September 21, 2021	5,000	10	Nil	Nil	Transfer of shares by way of Gift	0.03	0.03
June 20, 2022	3,000	10	Nil	Nil	Transfer of shares by way of Gift	0.02	0.02
July 14, 2022	2,80,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 35:1	1.94	1.43
July 20, 2023	8,64,000	10	Nil	Nil	Issue of Bonus Shares in ratio of 3:1	6.00	4.42
<b>Total</b>	<b>11,52,000</b>					<b>8.00</b>	<b>5.89</b>
<b>(E) Shivam Kishorbhai Patolia</b>							
July 06, 2023	3,00,000	10	Nil	Nil	Transfer of shares by way of Gift	2.08	1.53
July 20, 2023	9,00,000	10	Nil	Nil	Issue of Bonus share in the ratio of 3:1	6.25	4.60
<b>Total (E)</b>	<b>12,00,000</b>					<b>8.33</b>	<b>6.13</b>
<b>Grand Total (A+B+C+D+E)</b>	<b>1,26,72,000</b>					<b>88.00</b>	<b>64.77</b>

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

i) Details of Acquisition by Kishorkumar Panchabhai Patolia by way of transfer of 16,000 Equity Shares dated November 27, 2019.

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares	Name of Transferee
1.	December 04, 2019	Kishorkumar Panchabhai Patolia	12,000	Vallabh Ratanji Savaliya
			4,000	Dr. Pravinchandra Jasmat Vasolia
<b>Total</b>			<b>16,000</b>	

ii) Details of transfer of shares by Kishorkumar Panchabhai Patolia by way of gift of 3,00,000 Equity Shares dated July 06, 2023

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares	Name of Transferee
1.	July 06, 2023	Kishorkumar Panchabhai Patolia	3,00,000	Shivam Kishorbhai Patolia
<b>Total</b>			<b>3,00,000</b>	

iii) Details of transfer of shares by Vallabh Ratanji Savaliya by way of gift of 5,000 Equity Shares dated September 13, 2021

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares	Name of Transferee
1.	September 21, 2021	Vallabh Ratanji Savaliya	5,000	Rutesh Vallabhbbhai Savalia
<b>Total</b>			<b>5,000</b>	

iv) Details of transfer of shares by Vallabh Ratanji Savaliya by way of gift of 11,000 Equity Shares dated June 20, 2022

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares	Name of Transferee
1.	June 20, 2022	Vallabh Ratanji Savaliya	3,000	Rutesh Vallabhbbhai Savalia
			8,000	Zankar Vallabhbbhai Savalia
<b>Total</b>			<b>11,000</b>	

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

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	0.13
2	Kishorkumar Panchabhai Patolia	31,20,000	0.00
3	Vallabh Ratanji Savaliya	23,04,000	0.51
4	Shivam Kishorbhai Patolia	12,00,000	0.00
5	Rutesh Vallabhbbhai Savalia	11,52,000	0.00

#### 15. Shareholding of Promoters & Promoter Group

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

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	%	Shares Held	%
<b>Promoters</b>					
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	34.00	48,96,000	25.02
2	Kishorkumar Panchabhai Patolia	31,20,000	21.67	31,20,000	15.95
3	Vallabh Ratanji Savaliya	23,04,000	16.00	23,04,000	11.78
4	Shivam Kishorbhai Patolia	12,00,000	8.33	12,00,000	6.13
5	Rutesh Vallabhbbhai Savalia	11,52,000	8.00	11,52,000	5.89
<b>Sub Total (A)</b>		<b>1,26,72,000</b>	<b>88.00</b>	<b>1,26,72,000</b>	<b>64.77</b>
<b>Promoter Group</b>					
6	Zankar Vallabhbbhai Savalia	11,52,000	8.00	11,52,000	5.89
7	Heamanshi Pravinbhai Vasoliya	1,44,000	1.00	1,44,000	0.74
8	Priydarshna Kishorkumar Patolia	1,44,000	1.00	1,44,000	0.74

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	%	Shares Held	%
9	Bansari Kishorbhai Patolia	1,44,000	1.00	1,44,000	0.74
10	Nitaben Pravinchandra Vasolia	1,44,000	1.00	1,44,000	0.74
	<b>Sub Total (B)</b>	<b>17,28,000</b>	<b>12.00</b>	<b>17,28,000</b>	<b>8.83</b>
	<b>Grand Total (A+B)</b>	<b>1,44,00,000</b>	<b>100.00</b>	<b>1,44,00,000</b>	<b>73.60</b>

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

Date of Allotment/ Transfer	Name of Shareholders	No. of Equity Share	% of Pre issue Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoters/ Promoter Group/ Director)
July 06, 2023	Kishorkumar Panchabhai Patolia	3,00,000	2.08	Transfer by way of gift	Promoter and Director
July 20, 2023	Dr. Pravinchandra Jasmat Vasolia	36,72,000	25.50	Bonus Issue in the ratio of 3:1	Promoter and Director
	Kishorkumar Panchabhai Patolia	23,40,000	16.25		Promoter and Director
	Vallabh Ratanji Savaliya	17,28,000	12.00		Promoter and Director
	Shivam Kishorbhai Patolia	9,00,000	6.25		Promoter and Director
	Rutesh Vallabhbhai Savalia	8,64,000	6.00		Promoter and Director
	Zankar Vallabhbhai Savalia	8,64,000	6.00		Promoter Group
	Heamanshi Pravinbhai Vasoliya	1,08,000	0.75		Promoter Group
	Priydarshna Kishorkumar Patolia	1,08,000	0.75		Promoter Group
	Bansari Kishorbhai Patolia	1,08,000	0.75		Promoter Group
	Nitaben Pravinchandra Vasolia	1,08,000	0.75		Promoter Group

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

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

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Prospectus, our Promoters hold 1,26,72,000 Equity Shares constituting 64.77 % of the post-Issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoter's contribution.

Our Promoters have given written consent to include 40,00,000 Equity Shares held by them and subscribed and held by them as part of Promoter's Contribution constituting 20.44 % of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ transfer and made fully paid up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
<b>Dr. Pravinchandra Jasmat Vasolia</b>						

July 20, 2023	13,00,000	10.00	Nil	Bonus in the ratio of 3:1	6.64	3 years
<b>Kishorkumar Panchabhai Patolia</b>						
July 20, 2023	13,00,000	10.00	Nil	Bonus in the ratio of 3:1	6.64	3 years
<b>Vallabh Ratanji Savaliya</b>						
July 20, 2023	14,00,000	10.00	Nil	Bonus in the ratio of 3:1	7.16	3 years
<b>Total</b>	<b>40,00,000</b>				<b>20.44</b>	

\*Assuming full subscription to the Issue.

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

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

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

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

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

Reg. No.	Promoter's Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
		Shares. <b>Hence Eligible.</b>

#### Details of Promoter's Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoter's contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 1,04,00,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

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

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

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

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

19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.

20. As on the date of this Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid- up Equity shares.

21. The BRLM i.e., Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Prospectus.

22. As on the date of this Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

23. We have 10 (Ten) shareholders as on the date of filing of this Prospectus.

24. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
28. An over-subscription to the extent of 1% of the Issue subject to the maximum post issue paid up capital of Rs. 25 cr. can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public issue.
34. As per RBI regulations, OCBs are not allowed to participate in this issue.
35. Our Promoters and Promoter Group will not participate in this Issue.
36. This Issue is being made through Book Building Method.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
39. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

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

## OBJECTS OF THE ISSUE

The issue comprises of a fresh Issue of up to 51,66,000 Equity Shares of our Company at an Issue Price of Rs. 100/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Funding capital expenditure towards civil construction work in the existing premises of factory
2. Repayment in full or in part, of certain of our outstanding borrowings;
3. Funding Capital Expenditure towards installation of additional plant and machinery for Expansion.
4. Funding to meet working capital requirements
5. General Corporate Purpose.

(Collectively referred as the “**Objects**”)

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

We are engaged in the business of custom synthesis and manufacturing of speciality chemical intermediates involving complex and differentiated chemistry. We commenced business as a partnership firm in the year 2004 and have, over the years, evolved into custom synthesis and manufacturing of Pharma Intermediates, AGRO intermediates, Cosmetics Intermediates, Pigment Intermediates and Dye Intermediates, etc. for a diverse base of Indian and global customers. We work with an approach towards chemistry combined with technology and systems that would lead to sustained product development. Our diverse range of products finds applications across various industries, including pharma, agrochemicals, cosmetics, pigments and dyes.

### **Net Proceeds**

The details of the Net Proceeds are set forth below:

<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
Gross Proceeds of the Issue	5166.00
Less: Issue related expenses in relation to Issue	467.62
<b>Net Proceeds</b>	<b>4698.38</b>

### **Requirement of Funds and Utilization of Net Proceeds**

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

<b>Sr. No</b>	<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
1.	Funding capital expenditure towards civil construction work in the existing premises of factory	100.06
2.	Repayment in full or in part, of certain of our outstanding borrowings;	1290.00
3.	Funding Capital Expenditure towards installation of additional plant and machinery for Expansion.	787.42
4.	Funding to meet working capital requirements	1300.00
5.	General Corporate Purpose.	1220.90
	<b>Total</b>	<b>4698.38</b>

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

### **Means of Finance**

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

<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
Net Issue Proceeds	4698.38
<b>Total</b>	<b>4698.38</b>

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

Subject to applicable law, if the actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilization of the Net Proceeds as disclosed in this Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. The Objects may be varied in the manner provided in **“Objects of the Issue – Variation in Objects”** on page 68.

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

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled **“Risk Factors”** beginning on page 24 of the Prospectus.

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

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

##### **1. Funding capital expenditure towards civil construction work in the existing premises of factory**

Our Company proposes to utilize Rs 100.06 lakhs for capital expenditure towards civil construction work in the existing premises at Viramgam Co. op. Ind. Estate Ltd, Plot no. 4 and 5, Situated at Survey No. 1359, 1360 Village-Viramgam Taluka- Viramgam, District-Ahmedabad-382150, Gujarat, to expand our operations. Details of Civil construction work is as under:

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

<b>Sr No</b>	<b>Capital Expenditure</b>	<b>Description</b>	<b>Amount in lakhs</b>	<b>Vendor</b>	<b>Validity</b>
1	Construction of Factory Shed	G.I sheet with RCC foundation, plinth beam, steel columns and Truss etc having height 6.0 to 9.0 metres	60.06	Kunj Consulting Engineers	Valid till November 19, 2023
		RCC Work	25.00	Yagnesh Enterprises	Valid till November 19, 2023
		Fabrication Work	12.50		
		Flooring	2.50		
	<b>Total</b>		<b>100.06</b>		

##### **2. Repayment in full or in part, of certain of our outstanding borrowings**

Our Company has entered into various borrowing arrangements with banks including borrowings in the form of term loans and cash credit for working capital facilities. For details of our outstanding financial indebtedness, see **‘Statement of Financial Indebtedness’** on page 197. As at October 18, 2023, we had various borrowings facilities with total outstanding of Rs.1343.52 lakhs.



We propose to utilise an estimated amount of Rs.1290.00 Lakhs from the Net Proceeds to repay in part or full certain borrowing, listed below, availed from the lender by our Company. Pursuant to the terms of the financing arrangements, prepayment of certain borrowings may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will be funded from the internal accruals of our Company.

We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilisation of our internal accruals for further investment in our business growth and expansion. The details of the borrowings availed by our Company, which are proposed to be fully or partially repaid from the Net Proceeds is mentioned below:

Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 18.10.2023
Yes Bank	Cash Credit Facility	YBL/SEB/WS/FL/2022-2023/5487	1000.00	Effective Rate of Interest (ROI) is 8.40% p. a. which is 3.50% (Spread / Markup) over and above the External Benchmark Lending Rate	As per Note-1 (For details of Primary & Collateral Security under Note-1Please refer section titled " <b>Statement of Financial Indebtedness</b> " on page 197 of Prospectus)	Repayable on Demand	N.A.	838.24
Yes Bank	GECL-WCTL (To Mitigate Economic Distress faced due to Covid 19)	101LA40213620001	270.00	Effective Rate of Interest (ROI) is 9.25% p. a. which is 4.35% (Spread / Markup) over and above the External Benchmark Lending Rate	All the existing securities available against the Cash Credit facility. (100% Guarantee covered by National Credit Guarantee Trust Company Limited)	Only Interest for the first 24 Months and Equal Monthly Instalment for the balance 36 Months commencing from January, 2024	24 Months for Principal Repayment	270.00
Yes Bank	Export Packing Credit - Foreign Currency/ INR	YBL/SEB/WS/FL/2022-2023/5487	1000.00	To be decided at the time of drawdown	As per Note-1 (For details of Primary & Collateral Security under Note-1Please refer section titled " <b>Statement of Financial Indebtedness</b> " on page 197 of Prospectus)	Repayable on Demand	N.A.	235.28
<b>Total Amount</b>								<b>1343.52</b>

Note: In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained the requisite certificate from our Statutory Auditors by way of their certificate dated October 18, 2023.

### 3. Funding Capital Expenditure towards installation of additional plant and machinery

Our Company intends to make capital expenditure towards installation of additional plant & machinery. Our Company proposes to use part of net proceeds to the extent to Rs. 787.42 Lakhs to meet capital expenditure in relation to Various Reactors and Evaporation Plant etc.

A detailed breakup of estimated cost which are proposed to be funded from the net issue proceeds is set forth below:

Sr No	Equipment details	Quotation Amt. (₹ in Lakhs)	Quotation Details	Validity
1.	Multiple Effect Evaporation Plant With Mvr And Atfd	248.00	Quotation Dated August 23, 2023 from Thermosag India Pvt. Ltd.	Valid till November 21, 2023
2.	Ms Glass Lined Equipment	84.42	Quotation Dated August 23, 2023 from HLE Glascoat Ltd.	Valid till November 20, 2023
3.	1 Kl Reactor Column Condenser & Reacheiver Tank	19.50	Quotation Dated August 23, 2023 from Bharat Engineering Industries	Valid till November 21, 2023
4.	3 Kl Reactor Column Condenser & Reacheiver Tank	29.5	Quotation Dated August 23, 2023 from Bharat Engineering Industries	Valid till November 21, 2023
5.	5 Kl Reactor Column Condenser & Reacheiver Tank	31.7	Quotation Dated August 23, 2023 from Bharat Engineering Industries	Valid till November 21, 2023
6.	Atfd Plant For Zero Liquid Discharge	255.00	Quotation Dated August 23, 2023 from Bharat Engineering Industries	Valid till November 20, 2023
7.	Reactor 1KL, 2KL, 3KL & 5KL	66.05	Quotation Dated August 03, 2023 from Uni-Mech Industries	Valid till November 20, 2023
8.	Centrifuge 38.,48, Vaccum Tray Dryer 48	53.25	Quotation Dated August 03, 2023 from Uni-Mech Industries	Valid till November 20, 2023
	<b>Total</b>	<b>787.42</b>		

\* Above estimates are exclusive of GST

Notes:

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- All quotations received from the vendors mentioned above are valid as on the date of this Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/ equipment or at the same costs.
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of vendor or any modification/addition/deletion of machineries or equipment) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment or utilities, as required. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- We are not acquiring any second-hand machinery.

The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the estimated cost. Further, cost will be escalated on account of Packing & Forwarding, Transportation, Transit Insurance, Octroi / Entry tax if any etc. Such cost escalation would be met out of our internal accruals.

#### Government Approvals

The company shall make an application for updation of following approvals:

- a) Consolidated Consent Order and Authorisation From Gujarat Pollution Control Board

- b) Environment clearance and Consolidated Consent and Authorization from State Level Environment Impact Assessment Authority Gujarat

The company will apply for these licenses only after purchase of additional plant and machinery.

#### 4. Funding to meet working capital requirements

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

Our Company proposes to utilize ₹ 1300.00 lakhs of the Net Proceeds in Fiscal 2024 towards our Company's working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

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

S. No.	Particulars	Actual (Restated)			Estimated
		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
<b>I</b>	<b>Current Assets</b>				
	Inventories	140.47	1,266.36	2,225.56	3,120.00
	Trade receivables	2,953.99	2,156.71	2,710.98	3,900.00
	Short term loans and Advances	36.66	110.03	10.47	18.41
	Other Current Assets	1,034.62	1,147.04	1,032.39	1,541.00
	Cash and Cash equivalents	132.36	60.42	128.92	307.23
	<b>Total (A)</b>	<b>4,298.11</b>	<b>4,740.56</b>	<b>6,108.31</b>	<b>8,886.64</b>
<b>II</b>	<b>Current Liabilities</b>				
	Trade payables	1474.28	2062.72	1714.51	1786.51
	Other Current Liabilities	404.86	329.05	311.81	279.42
	Short Term Provisions	95.05	9.43	271.06	550.18
	<b>Total (B)</b>	<b>1974.19</b>	<b>2401.2</b>	<b>2297.38</b>	<b>2,616.11</b>
<b>III</b>	<b>Total Working Capital Gap (A-B)</b>	<b>2,323.91</b>	<b>2,339.36</b>	<b>3,810.94</b>	<b>6270.53</b>
<b>IV</b>	<b>Funding Pattern</b>				
	Short Term borrowings& Internal accrual	1,015.28	699.82	1,078.91	4970.53
	<b>IPO Proceeds</b>				1300.00

#### Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for years ended March 31, 2023, March 31, 2022 and March 31, 2021, as well as projections for financial year ended March 31, 2024.

Particulars	Unit	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
		Audited	Audited	Audited	Estimated
Debtors	Days	111	113	87	100
Creditors	Days	109	97	84	60
Inventories	Days	10	46	88	80

**Justification:**

<b>Debtors</b>	The historical holding days of trade receivables has been ranging from 87 days to 111 days during Fiscal 2021 to Fiscal 2023. As per the current credit terms and prevalent trend of the industry & in order to expand company's operations, the holding level for debtors is anticipated at 100 days of total revenue from operations during Fiscal 24. The projected increase in trade receivables days is a strategic decision aimed at fostering higher sales growth. We intend to provide our customers with extended credit periods, allowing them more time to settle their invoices. By offering this flexibility, we expect to stimulate increased sales volume and foster stronger customer relationships.
<b>Creditors</b>	Past trend of Trade payables holding days has been in the range of 109 days to 84 days approximately during Fiscal 2021 to Fiscal 2023. However, with additional working capital funding, our Company intends to reduce trade payable to 60 days during Fiscal 2024 to avail cash discount as well as competitive purchase price to increase overall profitability of our Company. By reducing the time, it takes to settle our payables we aim to negotiate more favourable terms and conditions with our suppliers, enabling us to access competitive pricing for the goods we procure.
<b>Inventories</b>	Inventories include raw materials and finished goods. The historical holding days of inventories has been in range of 10 days to 88 days during Fiscal 2021 to Fiscal 2023. With the perspective to increase business operations, the Company estimates inventories holding days to be around 80 days in Fiscal 24

**5. General Corporate Purpose**

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

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of Rs. 467.62 lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**Issue Expenses**

The total estimated Issue Expenses are Rs. 467.62, which is 9.05 % of the total Issue Size. The details of the Issue Expenses are tabulated below:

<b>Activity</b>	<b>(Rs. in Lakh) *</b>	<b>As a % of Estimates Issue Expenses</b>	<b>As a % of Issue Size</b>
Lead Manger Fees	51.66	11.05%	1.00%
Fees Payable to Registrar to the Issue	3.00	0.64%	0.06%
Fees Payable for Advertising and Publishing Expenses	35.00	7.48%	0.68%
Fees Payable to Regulators including Stock Exchanges	7.00	1.50%	0.14%
Payment for Printing & Stationery, Postage, etc.	2.50	0.53%	0.05%
Fees Payable to Auditor, Legal Advisors and other Professionals	8.50	1.82%	0.16%
Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	359.96	76.98%	6.97%
<b>Total</b>	<b>467.62</b>	<b>100.00%</b>	<b>9.05%</b>

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

- (1) Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price. Issue expenses include applicable taxes, where applicable. Issue expenses are estimates and are subject to change.
- (2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

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

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

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

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

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

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

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

\*For each valid application by respective Sponsor Bank

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

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

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

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

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

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

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

\* Based on valid applications

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

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

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

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

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

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

(Rs. In Lakhs)

Sr. No	Particulars	Amount to be deployed and utilized in	
		F.Y. 2023-24	F.Y. 2024-25
1.	Funding capital expenditure towards civil construction work in the existing premises of factory	100.06	Nil
2.	Repayment in full or in part, of certain of our outstanding borrowings;	1290.00	Nil
3.	Funding Capital Expenditure towards installation of additional plant and machinery for Expansion.	787.42	Nil
4.	Funding to meet working capital requirements	1300.00	Nil
5.	General Corporate Purpose.	720.90	500.00
	<b>Total</b>	<b>4198.38</b>	<b>500.00</b>

#### **Appraisal**

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

#### **Shortfall of Funds**

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

**Bridge Financing Facilities**

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

**Monitoring Utilization of Funds**

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

**Interim Use of Proceeds**

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

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

**Variation in Objects**

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

**Other confirmations**

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



## **BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 24, 104 and 157 respectively of the Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company 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 10 times

For the purpose of making an informed investment decision, the investors should also refer “**Risk Factors**”, “**Our Business**” and “**Financial Statement as restated**” beginning on page 24, 104 and 157 respectively of this Prospectus.

### **QUALITATIVE FACTORS**

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

- a) Wide range of products with ability to customize.
- b) Focus on R&D to leverage complex chemistry and technology
- c) Long standing relationships with diversified customers across geographies
- d) In-house manufacturing facility with equipped technologies and systems
- e) Focus on Quality, Environment, Health and Safety.
- f) Strong and Consistent Financial Performance
- g) Experienced Promoters and Senior Management with extensive domain knowledge

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 104 of this Prospectus.

### **QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 157 of this Prospectus.

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

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

As per the Restated Financial Statements: -

<b>Sr. No</b>	<b>Period</b>	<b>Basic &amp; Diluted (₹)</b>	<b>Weights</b>
1.	Financial Year 2020-2021	3.05	1
2.	Financial Year 2021-2022	3.12	2
3.	Financial Year 2022-2023	6.87	3
	<b>Weighted Average</b>	<b>4.98</b>	<b>6</b>
4.	Period ending June 30, 2023	<b>2.51</b>	

#### **Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with **Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.**

- v. *Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period.*
- vi. *Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of diluted potential equity shares outstanding during the year/ period.*

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 95/- to ₹ 100/- per Equity Share of Face Value of ₹ 10/- each fully paid up**

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for Financial Year 2022-23	13.83	14.56
P/E ratio based on the Weighted Average EPS, as restated.	19.06	20.07

Industry P/E Ratio*	(P/E) Ratio
Highest (Aether Industries Limited)	100.04
Lowest (Bodal Chemicals Limited)	24.16
Industry Average	51.14

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

Sr. No	Period	RoNW (%)	Weights
1	Financial Year 2020-2021	55.30%	1
2	Financial Year 2021-2022	36.09%	2
3	Financial Year 2022-2023	44.29%	3
	<b>Weighted Average</b>	<b>43.39%</b>	<b>6</b>
4	Period ending June 30, 2023	<b>13.95%</b>	

**Note:**

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/ period*
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/ Total of weights.*

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

Sr. No.	NAV per Equity Share	(Amount in ₹)
a)	As at June 30, 2023	18.03
b)	As at March 31, 2023	15.51
c)	As at March 31, 2022	8.64
d)	As at March 31, 2021	5.52
e)	NAV per equity share after the issue	
	At Floor Price	36.50
	At Cap Price	37.82
	Issue Price	100.00

**Notes: -**

- NAV per share = Restated Net worth at the end of the year/weighted average number of equity shares outstanding at the end of the year/ period.*
- 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.*
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.*

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

Name of Company	Current Market Price (Rs.) 23/08/2023	Face Value	EPS	PE	RoNW (%)*	Book Value	Total Income (Rs. In Crores)
			Basic & Diluted			(Rs.)	
Paragon Fine And Speciality Chemical Limited	100	10	6.87	14.56	44.29%	15.51	105.01
<b>Peer Group</b>							
Aether Industries Limited	1,047.45	10	10.47	100.04	10.48%	99.96	667.64
Anupam Rasayan India Ltd	1012.35	10	20.91	48.41	9.14%	220.63	1610.47
Bodal Chemicals Ltd.	73.2	2	3.03	24.16	3.53%	85.79	1585.89
Deepak Nitrite Ltd	1995.3	2	62.47	31.94	20.83%	299.87	8019.64

### Notes:

(i)Source – All the financial information for listed industry peer mentioned above is sourced from the audited financial results of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated August 23, 2023 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of equity share.

(ii)Further, P/E Ratio is based on the current market price of the respective scrips.

(iii)The EPS, NAV, RoNW and Total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2022-23 as adjusted with the effect of Bonus Issue.

(iv)NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares as adjusted with the effect of Bonus Issue.

(v) P/E Ratio of the peer company is based on the audited financial results of the company for the financial year 2023 and stock exchange data dated August 23, 2023.

(vi)RoNW has been computed as net profit after tax divided by closing net worth.

(vii)Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.

(viii)The face value of Equity Shares of our Company is Rs. 10/- per Equity Share and the Issue price is 10 times the face value of equity share.

## 6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated October 18, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the RHP. Further, the KPIs herein have been certified by K A R M A & Co. LLP, Chartered Accountants, by their certificate dated October 18, 2023

The KPIs of our Company have been disclosed in the sections titled **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators”** on pages 104 and 201 respectively. We have described and defined the KPIs, as applicable, in **“Definitions and Abbreviations”** on page 1.

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

## Key Performance Indicators of our Company

(Rs. In Lakhs except percentages and ratios)

Key Financial Performance	June 30, 2023*	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2,878.86	10226.62	8282.94	8325.55
EBITDA <sup>(2)</sup>	521.78	1277.13	560.37	615.70
EBITDA Margin <sup>(3)</sup>	18.12%	12.49%	6.77%	7.40%
PAT	362.16	989.21	449.02	439.77
PAT Margin <sup>(4)</sup>	12.58%	9.67%	5.42%	5.28%
Net Worth <sup>(5)</sup>	2,595.67	2233.52	1244.31	795.29
RoE(%) <sup>(6)</sup>	15.00%	56.89%	44.03%	109.22%
RoCE (%) <sup>(7)</sup>	12.25%	38.86%	24.90%	33.44%

\*Not Annualized

### Notes:

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

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

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

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

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

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

### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

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

(Rs. In Lakhs)

Key Financial Performance	Paragon Fine and Speciality Chemicals Limited**				Aether Industries Limited**				Anupam Rasayan India Ltd**			
	30.06.2023*	2022-23	2021-22	2020-21	30.06.2023*	2022-23	2021-22	2020-21	30.06.2023*	2022-23	2021-22	2020-21
Revenue from operations	2878.86	10226.62	8282.94	8325.55	16110.70	65107.40	59004.70	44981.60	38639.10	160190.50	106600.10	81088.80
EBITDA	521.78	1277.13	560.37	615.70	4472.20	18624.90	16810.70	11215.90	10141.30	43283.50	31214.60	21960.00
EBITDA Margin	18.12%	12.49%	6.77%	7.40%	27.76%	28.61%	28.49%	24.93%	26.25%	27.02%	29.00%	26.00%
PAT	362.16	989.21	449.02	439.77	2981.40	13041.50	10892.90	7111.90	5225.30	21684.60	15217.90	7029.60
PAT Margin	12.58%	9.67%	5.42%	5.28%	18.51%	20.03%	18.46%	15.81%	13.52%	13.54%	14.28%	8.67%
Net Worth	2,595.67	2233.52	1244.31	795.29	Not available#	124460.60	38688.80	17433.30	Not available#	237258.70	172685.00	157340.20
Return on Net Worth	13.95%	44.29%	36.09%	55.30%	Not available#	10.48%	28.16%	40.79%	Not available#	9.14%	8.81%	4.47%
RoCE (%)	12.25%	38.86	24.90	33.44%	Not available#	12.68%	28.92%	34.75%	Not available#	12.19%	10.32%	7.57%

(Rs. In Lakhs)

Key Financial Performance	Bodal Chemicals Ltd.**				Deepak Nitrite Ltd**			
	30.06.2023*	2022-23	2021-22	2020-21	30.06.2023*	2022-23	2021-22	2020-21
Revenue from operations	33248.5	157428.00	205062.10	122643.30	180021.00	797206.00	680219.00	435975.00
EBITDA	2220.4	13334.00	23693.00	10250.00	Not available#	133696.00	164600.00	126855.00
EBITDA Margin	6.68%	8.47%	11.50%	8.40%	Not available#	14.00%	24.20%	29.00%
PAT	220.9	3803.30	9866.30	3976.70	14990.00	85200.00	106664.00	77581.00
PAT Margin	0.66%	2.42%	4.81%	3.24%	8.33%	10.69%	15.68%	17.79%
Net Worth	Not available#	107770.30	105579.90	97530.10	Not available#	408996.00	333844.00	234665.00
Return on Net Worth	Not available#	3.53%	9.34%	4.08%	Not available#	20.83%	31.95%	33.06%
RoCE (%)	Not available#	5.35%	11.70%	4.93%	Not available#	25.91%	38.71%	36.40%

*\*Not Annualized*

*\*\*All the information for listed industry peers mentioned above is sourced from their respective unaudited financial results for the period ended on June 30, 2023 and from the Annual Reports of FY 22-23, 21-22 and FY 20-21*

*#Not Available = Data of certain KPI's of the Company's listed peers is either not available in the public domain or the basis and manner of calculation of the figures mentioned is not ascertainable and therefore, may not be an accurate comparison with the Company's information and hence not mentioned.*

**Notes:**

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

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

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

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

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

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

## 8. Weighted average cost of acquisition

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

There has been no issuance of Equity Shares, other than Equity Shares issued pursuant to a bonus issue on July 14, 2022 and July 20, 2023 during the 18 months preceding the date of the RHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

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

There has 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 certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

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

### Primary Transactions:

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

Date of Allotment	No. of equity shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of Consideration	Total Consideration (in ₹ lakhs)
July 14, 2022	35,00,000	Nil	Bonus issue	Other than cash	Nil
July 20, 2023	1,08,00,000	Nil	Bonus issue	Other than cash	Nil

### Secondary Transactions:

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

Date of transfer	Name of transferor	Name of Transferee	No. of Equity shares	Price Per Equity Share	Nature of transaction	Total Consideration (in ₹ lakhs)
September 21, 2021	Vallabh Ratanji Savaliya	Rutesh Vallabhbbhai Savalia	5,000	Nil	Transfer	Nil
June 20, 2022	Vallabh Ratanji Savaliya	Rutesh Vallabhbbhai Savalia	3,000	Nil	Transfer	Nil
		Zankar Vallabhbbhai Savalia	8,000	Nil	Transfer	Nil
July 06, 2023	Kishor Panchabhai Patolia	Shivam Kishorbhai Patolia	3,00,000	Nil	Transfer	Nil

Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ 95)	Cap price* (i.e. ₹ 100)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA <sup>^</sup>	NA <sup>^</sup>	NA <sup>^</sup>
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA <sup>^^</sup>	NA <sup>^^</sup>	NA <sup>^^</sup>
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	Nil	Not defined	Not defined

*Note:*

<sup>^</sup>There were no primary / new issue of shares in last 18 months from the date of this Prospectus.

<sup>^^</sup>There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of this Prospectus

Paragon Fine And Speciality Chemical Limited is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Ahmedabad Edition of Regional newspaper Ahmedabad Express (Gujarati) where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above-mentioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” on pages 104, 24 and 157 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.



**STATEMENT OF SPECIAL TAX BENEFITS**

To,  
The Board of Directors  
**PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

Dear Sir,

**Sub: Statement of Tax Benefits ('The Statement') available to PARAGON FINE AND SPECIALITY CHEMICAL LIMITED ("The Company") and its shareholders under the Direct and Indirect Tax Laws in India**

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

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

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

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

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

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

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

**For, K A R M A & CO. LLP**  
**Chartered Accountants**  
**FRN: 127544W/W100376**

Sd/-

**CA Jignesh A. Dhaduk**  
**Designated Partner**  
**M. NO. 129149**  
**UDIN: 23129149BGVLAU9558**  
**Place: Ahmedabad**  
**Date: 29th August, 2023**

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

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

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

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

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

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

#### **Notes:**

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

## **SECTION V – ABOUT THE COMPANY**

### **INDUSTRY OVERVIEW**

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

*Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Prospectus, including the information in “**Our Business**” and “**Financial Information**” beginning on pages 104 and 157 respectively of this Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see “**Risk Factors**” beginning on page 24 of this Prospectus.*

#### **Global Economic Environment**

Following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from COVID-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies, according to the World Bank’s latest Global Economic Prospects report. Global growth is expected to decelerate markedly from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world. Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023—a pace that, while moderating, will be sufficient to restore output and investment to their pre-pandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023. By 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 percent below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 percent below its pre-pandemic trend, and output of small island states will be 8.5 percent below.

#### **Regional Outlooks**

**East Asia and Pacific:** Growth is projected to decelerate to 5.1% in 2022 before increasing slightly to 5.2% in 2023. For more, see regional overview.

**Europe and Central Asia:** Growth is forecast to slow to 3.0% in 2022 year and 2.9% in 2023. For more, see regional overview.

**Latin America and the Caribbean:** Growth is projected to slow to 2.6% in 2022 before increasing slightly to 2.7% in 2023. For more, see regional overview.

**Middle East and North Africa:** Growth is forecast to accelerate to 4.4% in 2022 before slowing to 3.4% in 2023. For more, see regional overview.

**South Asia:** Growth is projected to accelerate to 7.6% in 2022 before slowing to 6.0% in 2023. For more, see regional overview.

**Sub-Saharan Africa:** Growth is forecast to accelerate slightly to 3.6% in 2022 and rise further to 3.8% in 2023. For more, see regional overview.

**Source: World Bank.**

1. Aggregate growth rates are calculated using GDP weights at average 2010-19 prices and market exchange rates. The aggregate growth rates may differ from the previously published numbers that were calculated using GDP weights at average 2010 prices and market exchange rates. Data for Afghanistan and Lebanon are excluded.
2. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. Pakistan's growth rates are based on GDP at factor cost. The column labelled 2019 refers to FY2018/19.
3. GDP growth rates are on a fiscal year basis. Aggregates that include these countries are calculated using data compiled on a calendar year basis. The column labelled 2019 refers to FY2019/20.
4. World growth rates are calculated using average 2010-19 purchasing power parity (PPP) weights, which attribute a greater share of global GDP to emerging market and developing economies (EMDEs) than market exchange rates.
5. World trade volume of goods and nonfactor services.
6. Oil price is the simple average of Brent, Dubai, and West Texas Intermediate prices. The non-energy index is the weighted average of 39 commodity prices (7 metals, 5 fertilizers, and 27 agricultural commodities). For additional details, please see <https://www.worldbank.org/commodities>.

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assessments of countries' prospects do not differ at any given date. For the definition of EMDEs, developing countries, commodity exporters, and commodity importers, please refer to table 1.2. EM7 includes Brazil, China, India, Indonesia, Mexico, the Russian Federation, and Turkey. The World Bank is currently not publishing economic output, income, or growth data for Turkmenistan and República Bolivariana de Venezuela owing to lack of reliable data of adequate quality. Turkmenistan and República Bolivariana de Venezuela are excluded from cross-country macroeconomic aggregates.

Source: <https://www.worldbank.org/en/news/press-release/2022/01/11/global-recovery-economics-debtcommodity-inequality>

## 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



Although domestic consumption rebounded in many economies, the rebound in India was impressive for its scale. It contributed to a rise in domestic capacity utilisation. Domestic private consumption remains buoyant in November 2022. Moreover, RBI's most recent survey of consumer confidence released in December 2022 pointed to improving sentiment with respect to current and prospective employment and income conditions.

In FY21, the Government announced the Emergency Credit Line Guarantee Scheme, which succeeded in shielding micro, small and medium enterprises from financial distress. A recent CIBIL report (ECLGS Insights, August 2022) showed that the scheme has supported MSMEs in facing the COVID shock, with 83 per cent of the borrowers that availed of the ECLGS being micro-enterprises. Among these micro units, more than half had an overall exposure of less than Rs10 lakh.

Furthermore, the CIBIL data also shows that ECLGS borrowers had lower non-performing asset rates than enterprises that were eligible for ECLGS but did not avail of it. Further, the GST paid by MSMEs after declining in FY21 has been rising

since and now has crossed the pre-pandemic level of FY20, reflecting the financial resilience of small businesses and the effectiveness of the pre-emptive government intervention targeted towards MSMEs.

It says, growth is expected to be brisk in FY24 as a vigorous credit disbursal, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.



(Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1894932> Release ID: 1894932)

## **INDUSTRY**

### **SPECIALITY CHEMICAL AND INTERMEDIARIES**

India’s chemicals industry is de-licensed, except for few hazardous chemicals. In the Indian chemical industry, alkali chemicals have the largest share with ~71.9% in the total production from April to July 2021 (FY22); production of polymers accounts for ~59% of the total production of basic key petrochemicals in 2019. The chemical industry is expected to contribute US\$ 300 billion to India’s GDP by 2025.

India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at global level (excluding pharmaceuticals). The chemicals industry in India covers more than 80,000 commercial products with overall market size standing at US\$ 178 billion in 2018-19. The industry is expected to grow at 9.3% to reach US\$ 304 billion by 2025 on the back of rising demands in the end-user segments for specialty chemicals and petrochemicals. The specialty chemicals sector is expected to reach US\$ 40 billion by 2025.

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. In FY22, India's dye exports totalled US\$ 3.24 billion.

Chemical production reached 907,639 MT in August 2022, while petrochemical production reached 1,727,019 MT. In August 2022, production levels of various chemicals were as follows: Soda Ash: 267,416 MT, Caustic Soda: 283,279 MT, Liquid Chlorine: 203,195 MT, Formaldehyde: 26,842 MT and Pesticides and Insecticides: 18,881 MT.

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

- Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.
- The Indian dyes and pigments market is projected to reach US\$ 63 billion by 2022, accounting for about 16-18% of the global dye production.
- The agrochemicals market in India is expected to register 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026.
- The import of agro-chemical was US\$ 1.79 billion, dyes were US\$ 0.31 billion and the other dye intermediates were US\$ 1.22 billion during April-March 2023.
- Around 50% of the agro-chemicals are exported from India to the world.
- India is the top producer and exporter of castor oil, with 85-90 % of total global exports in the world.
- India holds a strong position in international trading of chemicals and ranks 9th in exports and 6th in imports at a global level (excluding pharmaceuticals).
- 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.

### **SPECIALTY CHEMICALS - AGGRESSIVE CAPEX TO DRIVE GROWTH**

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

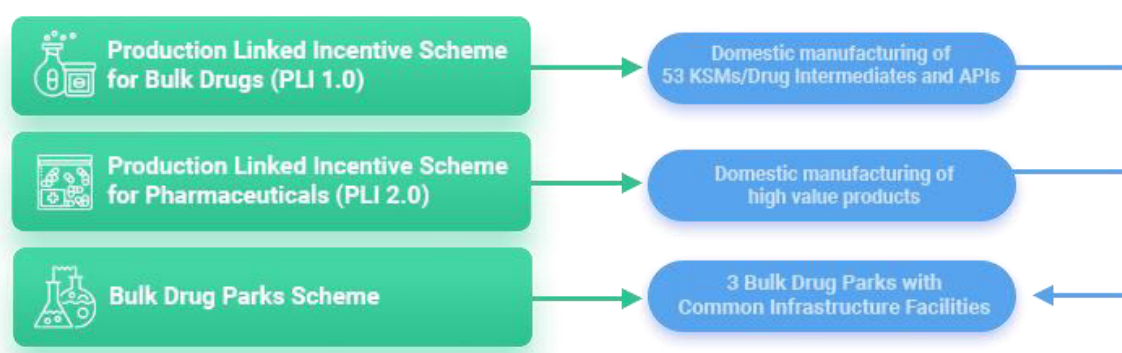
### **KEY GROWTH DRIVERS IN THE END-USER INDUSTRY FOR SPECIALTY CHEMICALS INCLUDE THE FOLLOWING:**

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

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

The Indian agrochemical industry relies heavily on imports of chemical raw material, technical intermediates, and formulated products. India imported close to USD 0.8 Billion in agri intermediates and USD 1.2 Billion of agrochemicals in FY20, with the largest share from China. India now has strong production capabilities to manufacture multiple synthetic chemistries in agrochemical groups including insecticides, fungicides and herbicides. Across these categories, we see an attractive investment opportunity drive import substitution as well as fresh capacity addition to meet growing farm demand.

The Indian pharmaceutical industry is the 3rd largest in the world by volume and valued at \$50 bn. The country contributes 3.5% of total drugs and medicines exported globally to over 200+ countries. To ensure greater resilience to external shocks, enforce greater drug security and boost the capacity for domestic production for critical bulk drugs and high-value products like, the Department of Pharmaceuticals has launched 3 supporting schemes to incentivize the global and domestic players to enhance investment and production in these product categories. The Schemes are envisioned to ensure greater resilience of the Indian pharmaceutical industry to external shocks and contribute significantly to achieving a higher objective of affordable healthcare in the country and globally on sustained basis.



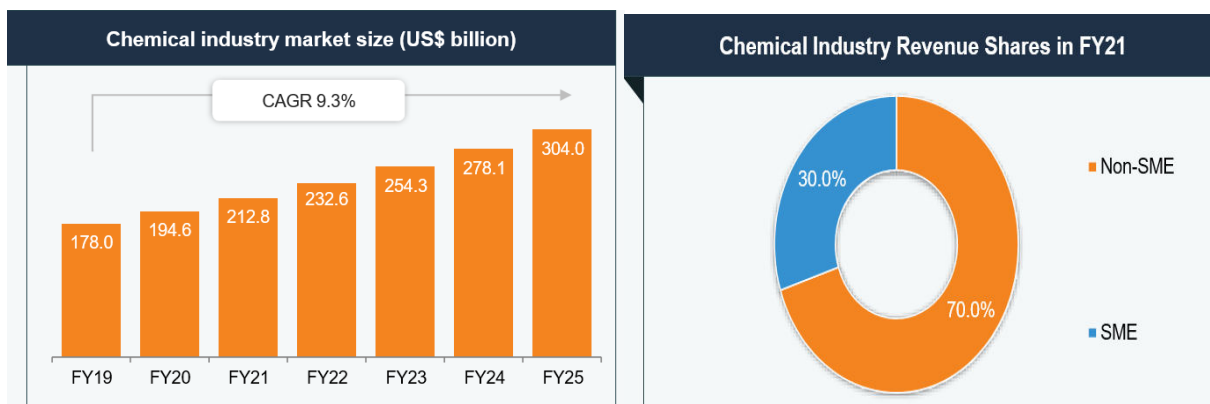
Source: Department

<https://www.ibef.org/industry/chemical-industry-india><https://www.niir.org/blog/indias-chemical-industry-sector-overview/>

## MARKET OVERVIEW

### CHEMICALS MARKET IN INDIA

- Chemicals industry in India covers >80,000 commercial products.
- India accounts for 2.5% of the world's global chemical sales, exporting to more than 175 countries.
- India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP.
- The industry is expected to reach US\$ 304 billion by 2025 at a CAGR of 9.3%, driven by rising demand in the end-user segments for speciality chemicals and petrochemicals segment.
- From April-March 2023 (provisional), India's dye exports totalled US\$ 23.78 billion.
- Specialty chemical companies are seeking import substitutions while exploring export opportunities to accelerate their business.
- The Indian dyes and pigments market is projected to reach US\$ 63 billion by 2022, accounting for about 16-18% of the global dye production.
- The petrochemical demand is expected to record a 7.5% CAGR between 2019 and 2023, with the demand for polymers growing at 8%.
- India is the third largest polymer consumer in the world and is expected to consume 60 million tonnes by 2040.
- Chemicals and Chemical Products gross bank credit grew at 15.6% in May 2022.
- The agrochemicals market in India is expected to register 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026.
- Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.



Source: Department of Chemicals and Petrochemicals, The Brokerage

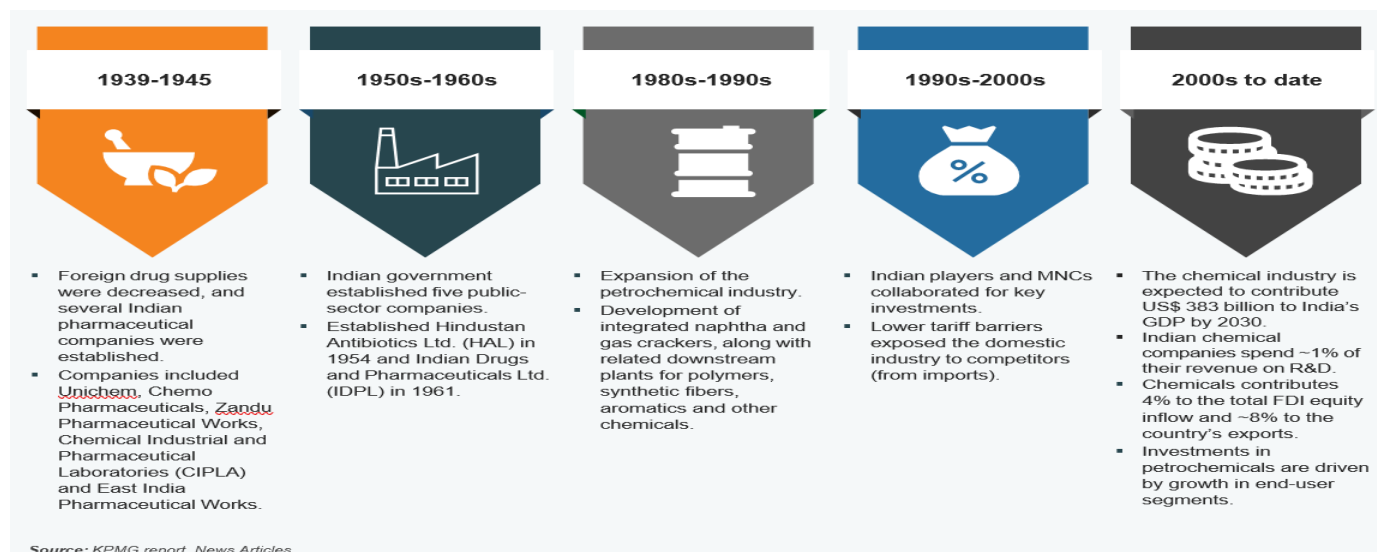
## CHEMICAL'S MARKET IS SPLIT INTO FIVE KEY SEGMENTS



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



## EVOLUTION OF THE INDIAN CHEMICAL SECTOR



## INTERNATIONAL CONVENTIONS AND TREATIES

### Chemical Weapons Convention (CWC)

India is a signatory and party to the Chemical Weapons Convention (CWC) administered by Organization for the Prohibition of Chemical Weapons (OPCW) with headquarter at The Hague, Netherlands. The Convention is a universal, non-discriminatory, multi-lateral, disarmament treaty which prohibits the development, production, stock-piling and use of chemical weapons and monitors its elimination in order to secure chemical weapons free world. India signed the treaty at Paris on 14th January, 1993. India, pursuant to provisions of the Convention enacted the Chemical Weapons Convention Act, 2000. As on date, 193 countries are parties to the Convention. India was the First State Party to secure the distinction of chemical weapon free state Party by destructing all its stockpile of its chemical weapons amongst all State Parties of the Convention.

The Department of Chemicals & Petrochemicals is the administrative Department for CWC Act, 2000. Chemical Weapons Convention Act, 2000 is in force in the country w.e.f. 1st July 2005. The National Authority for Chemical Weapons Convention (NACWC) has been set up as an office of the Cabinet Secretariat, Government of India in 1997 to fulfil, on behalf of the Government of India, the obligations under the Chemical Weapons Convention and to act as the national focal point for effective liaison with the Organization for the Prohibition of Chemical Weapons (OPCW) and other State Parties on matters relating to the Convention.

### Rotterdam Convention

Rotterdam Convention on Prior Informed Consent Procedures (PIC) that entered into force on 24th February, 2004, is a legally binding instrument, which was adopted on 10th September 1998 by a Conference of Plenipotentiaries in Rotterdam. India acceded to the Convention on 24.05.2006. The Convention seeks to promote shared responsibility and cooperative efforts among state parties in the international trade of certain hazardous chemicals in order to protect human health and the environment from potential harm. It also seeks to contribute to the environmentally sound use of these hazardous chemicals by facilitating information exchange about their characteristics, providing for a national decision-making process on their import and export, and by disseminating these decisions to the Parties.

Each Party is required to designate a National Authority for performing the administrative functions required under the Convention. Department of Chemicals and Petrochemicals is the Designated National Authority (DNA) for industrial chemicals and Department of Agriculture and Farmer's Welfare is the DNA for pesticides.

## **Stockholm Convention**

The Stockholm Convention, ratified by India on 13.01.2006, is a global treaty to protect human health and environment from Persistent Organic Pollutants (POPs). POPs are chemicals that remain intact in the environment for long periods, become widely distributed geographically, accumulate in the fatty tissue of living organisms and are toxic to human beings and wildlife. POPs travel globally and can cause damage wherever they travel. The Convention that entered into force on 17th May, 2004, lays down that in its implementation, Governments will take measures to eliminate or reduce the release of POPs into the environment.

The Stockholm Convention seeks the elimination or restriction of production and use of all intentionally produced POPs (industrial chemicals and pesticides). The Convention also seeks the continuing minimization and wherever feasible, ultimate elimination of the releases of unintentionally produced POPs such as dioxins and furans. At present, 35 chemicals are covered under the Stockholm Convention, of which use of DDT is restricted in India. Use of DDT is banned for agricultural purposes; it is produced in a restricted manner for use in vector control only, as India has obtained exemption for use of DDT for vector control.

Stockpiles and wastes containing POPs must be managed and disposed of in a safe, efficient and environmentally sound manner, taking into account international rules, standards and guidelines. Each country is required to develop a plan for implementing its obligations under the Convention. A Global Environment Facility (GEF) has been set up as an interim financial mechanism, to assist the developing countries in implementation of the Convention.

For the chemicals under review of Stockholm Convention, this Department put forwards its stand to Ministry of Environment & Climate Change for further stand in Convention.

## **Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET)**

In Foreign Trade Policy, dual-use items have been given the nomenclature of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET). Export of dual-use items and technologies under India's Foreign Trade Policy is regulated. Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) shall be permitted only against an export.

Directorate General of Foreign Trade under Ministry of Commerce and Industry, is the nodal organization for handling the matters related to SCOMET. Department of Chemicals and Petrochemicals is amongst the Inter-ministerial Working Group members for providing inputs/comments on applications filed under SCOMET items specifically related to Chemicals.

### **1. GLOBAL POSITION**

- Globally, India is the third- largest consumer of polymers, fourth-largest producer of agrochemicals and sixth-largest producer of chemicals.
- The Indian chemicals industry makes up 3.4% of the global chemicals industry.
- India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022 and is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

### **2. HIGHLY DIVERSIFIED**

- The Indian chemicals industry is highly diversified, covering >80,000 products and employing >2 million people.
- 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.

### **3. STRONG GROWTH IN SPECIALTY CHEMICALS**

- The Indian specialty chemicals sector is expected to increase at a CAGR of 12.4%, from US\$ 32 billion in 2019 to an estimated US\$ 64 billion by 2025.

- Also, ICRA's ratings indicate improved exports and a positive outlook for agrochemicals and surfactants.






#### 4. LARGEST GLOBAL DYE SUPPLIER

- India is the world leader in dye manufacturing, accounting for 16%-18% of global dyestuff exports.
- The Indian Dye is exported to 90+ countries.
- From April-March 2023 (provisional), India's dye exports totalled US\$ 23.78 billion






Notes: GDP: Gross Domestic Product, FDI: Foreign Direct Investment, CAGR: Compounded Annual Growth Rate  
Source: Department of Chemicals and Petrochemicals, Nirmal Bang Group Advantage India

### KEY PLAYERS IN THE CHEMICAL SECTOR

#### INDIAN COMPANIES

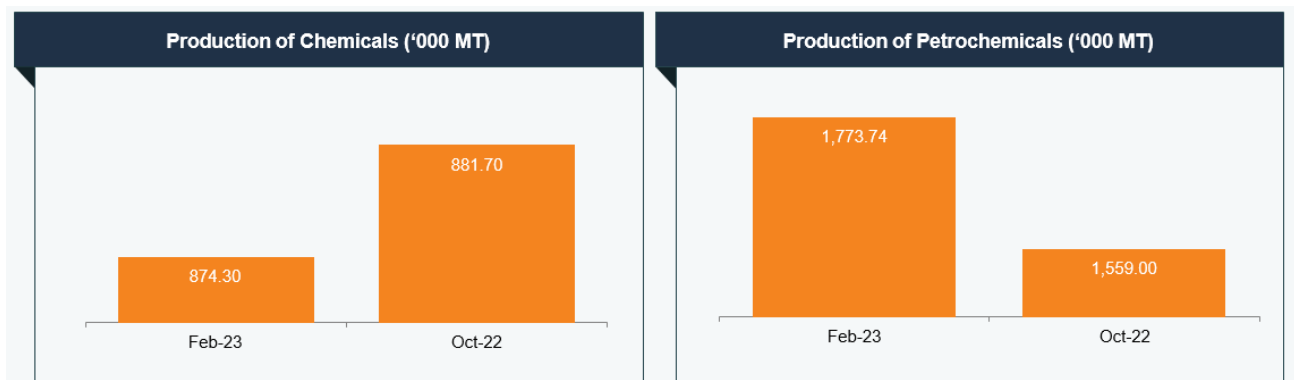
<b>1</b>	<b>PIDILITE INDUSTRIES LIMITED</b> Adhesives, sealants, waterproofing solutions, construction chemicals, industrial resins, and polymers.	
<b>2</b>	<b>TATA CHEMICALS LIMITED</b> Gypsum, soda ash, soda bicarbonate, cement, salt, marine chemicals and crushed refined soda.	
<b>3</b>	<b>UNITED PHOSPHORUS LIMITED</b> Crop protection, herbicide, fungicide, insecticide, water conservation, seed treatments, adjuvants, biosolutions and fumigants.	
<b>4</b>	<b>GUJARAT FLUORO CHEMICALS LIMITED</b> Caustic soda, special chlorine derivatives, sodium chlorate, caustic potash, chloromethane, phosphoric acid, hydrogen peroxide and water treatment solutions.	
<b>5</b>	<b>RELIANCE INDUSTRIES LIMITED</b> Polymers, elastomers, polyesters, aromatics, fibre-intermediates and advanced materials.	

#### INTERNATIONAL COMPANIES

<b>1</b>	<b>BASF INDIA LIMITED</b> Fungicide, herbicide, insecticide, industrial gases, alcohols and aldehydes, glycol ethers, glycol ether acetates and esters.	
<b>2</b>	<b>E.I. DU PONT INDIA PRIVATE LIMITED</b> Adhesives, digital printing inks and packaging materials & solutions.	
<b>3</b>	<b>MITSUBISHI CHEMICAL INDIA PRIVATE LIMITED</b> Industrial chemicals, basic petrochemicals, solvents and methyl methacrylate monomer & derivatives acrylonitrile & related products.	
<b>4</b>	<b>SABIC INDIA PRIVATE LIMITED</b> Aromatics, chlor-alkali, ethanolamines, ethoxylated surfactants, glycols, linear alpha olefins, natural detergent alcohol and olefins.	
<b>5</b>	<b>EXXONMOBIL COMPANY INDIA PRIVATE LIMITED</b> Butyl, ethylene propylene diene (EPDM) rubber, polyethylene products, polymer modifiers, polyolefin plastomers & elastomers and polypropylene.	

## RECENT TRENDS AND STRATEGIES

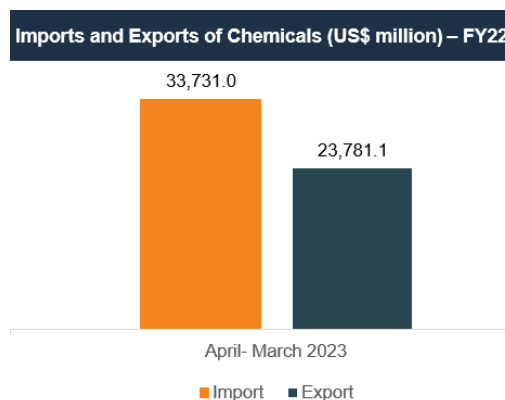
### Chemical sector production capacity



- Major chemical production reached 874.30 million metric tonnes (MMT) in February 2023, while petrochemical production reached 1,773.74 MMT.
- In February 2023, production levels of various chemicals were as follows:
  - Soda Ash: 250.87 MMT
  - Caustic Soda: 269.17 MMT
  - Liquid Chlorine: 201.48 MMT
  - Formaldehyde: 19.13 MMT
  - Pesticides and Insecticides: 17.01 MMT
- At the CPMA - Argus Petrochemical Online Forum held on August 25, 2021, President of India's Chemicals and Petrochemicals Manufacturers Association (CPMA), Mr. Kamal Nanavaty, said that the Indian petrochemicals industry will have to increase its production capacity tenfold to meet higher demand by 2050. He also highlighted that India's consumption is estimated to double every nine years at an annual rate of 8%.

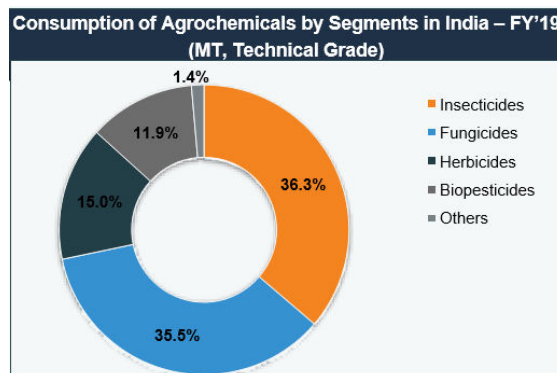
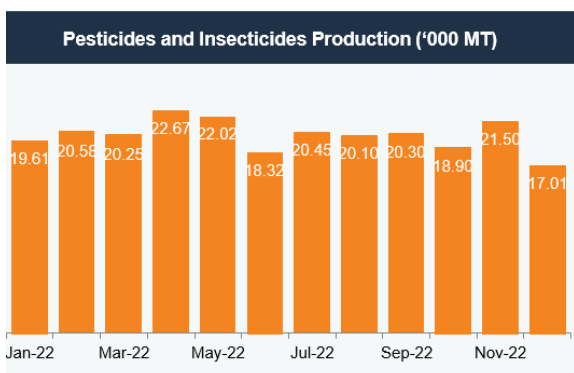
### Chemical sector import and export statistics

- From April 2022-March 2023, exports of organic (US\$ 9.64 billion) & inorganic (US\$ 2.17 billion) chemicals were estimated at US\$ 17.19 billion.
- Imports of organic (US\$ 18.3 billion) and inorganic (US\$ 9.34 billion) chemicals totalled US\$ 29.58 billion from April 2022 to March 2023.
- From April 2022-December 2022, imports of petroleum, crude and products stood at US\$ 163.78 billion.
- Exports of petroleum products are 73.63 billion during April-December 2022.
- From April-March 2022, the export of agro-chemical was US\$ 5.37 billion, dyes were US\$ 2.04 billion and the other dye intermediates were US\$ 183.49 million.
- The import of agro-chemical was US\$ 1.79 billion, dyes were US\$ 0.31 billion and the other dye intermediates were US\$ 1.22 billion during April- March 2023.
- India exports to more than 175 countries in 2022. The major export destinations are USA, China and new destinations viz. Turkey, Russia and North East Asian Countries (China, Hongkong, Japan, Korea RP, Taiwan, Macao, Mongolia)
- Around 50% of the agro-chemicals are exported from India to the world. India is the top producer and exporter of castor oil, with 85-90 % of total global exports in the world.
- India holds a strong position in international trading of chemicals and ranks 9th in exports and 6th in imports at a global level (excluding pharmaceuticals).

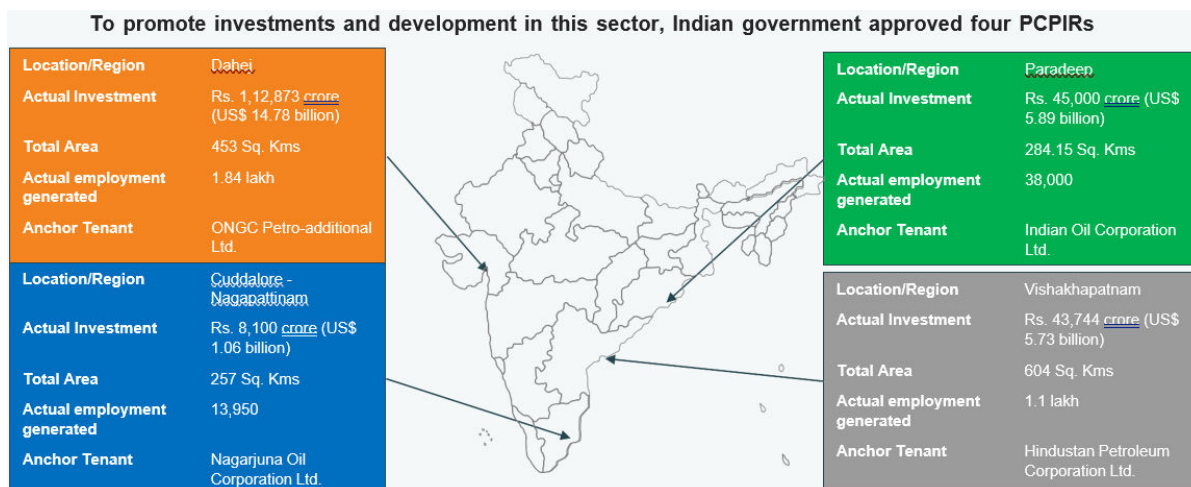


## Agrochemical trends in India

- Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China.
- India is the fourth India is a net exporter of agrochemicals and the thirteenth- largest exporter of pesticides and disinfectants. The country's exports have increased on the account of low-cost manufacturing, availability of technically trained manpower, seasonal domestic demand, overcapacity, competitive pricing and strong presence in generic pesticide manufacturing.
- Rise in demand in the agricultural segment is driving growth of agrochemicals in India
- 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
- The current GST on agrochemical is 18%. In January 2021, CropLife India, an industry body, demanded the government to reduce GST as this will help lower prices of agrochemicals and benefit farmers.
- The Indian agrochemicals market was at US\$ 846.90 million from April 2020- January 2021. According to Expert Market Research (EMR), the market is expected to increase at a CAGR of 8.6% between 2021 and 2026 to reach ~US\$ 7.4 billion.
- Agrochemicals in India is currently a US\$ 5.5 billion market, growing at a CAGR of 8.3%. By 2040, it is expected to account for almost 40% of India's overall chemicals exports.
- As per Chemexcil (Chemicals Export Promotion Council), India's agrochemicals export was estimated to be at US\$ 5.37 billion from April 2022-March 2023 (Provisional).



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



- PCPIR in Dahej, Gujarat attracted more investments-compared with the other three cities-wherein various Indian and multinational companies such as ONGC, GACL, OPAL, BASF and LANXESS have opened facilities.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, it has been targeted to attract a combined investment of Rs. 10 lakh crore (US\$ 142 billion) by the year 2025, Rs. 15 lakh crore (US\$ 213 billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all the PCPIRs across the country.
- The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020.

## **GROWTH DRIVERS**

### **1. GROWING DEMAND**

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

### **2. INCREASING INVESTMENTS AND SPENDING**

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

### **3. POLICY SUPPORT**

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

## **OPPORTUNITIES**

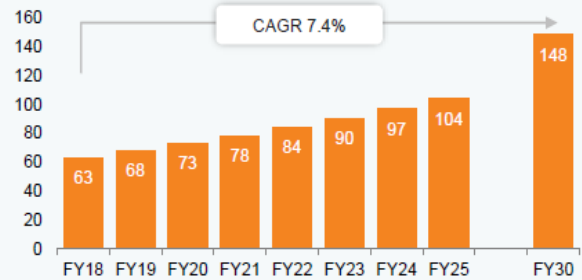
- India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- In July 2021, the government announced discovery of indigenous deposits of phosphatic rocks. This will help expand fertiliser production domestically and boost self-reliance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

## KEY GROWTH DRIVERS

### Rise in domestic demand

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

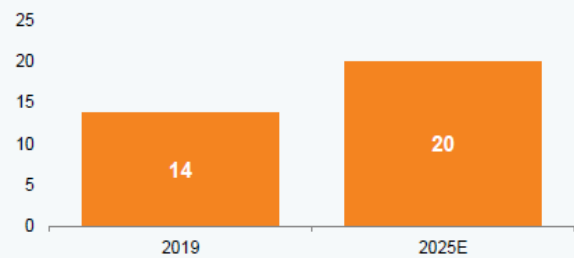
Middle-class Growth in India (million)



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

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

Manufacturing as % of GDP



1

### EMERGING MANUFACTURING HUBS

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

2

### RISE IN DISINFECTANT DEMAND POST COVID-19

With increasing demand for disinfection of personal and public places post COVID-19, the chloro-alkali, ethanol, personal care, and surfactant industry is expected to record significant growth in near future.

3

### FOREIGN INVESTMENT

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

4

### SKILLED AND LOW-COST MANPOWER

The skilled and low-cost labour, world-class engineering and strong R&D set-up enable chemicals industries in India.

5

### GROWING END USE INDUSTRIES

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

## KEY INDUSTRIES DRIVING GROWTH

### ➤ AUTOMOTIVE

Disruption in automotive sector with the emergence of autonomous driving, connected cars, electric vehicles and shared mobility will affect the value chain of Indian chemical companies supplying chemicals to automotive applications.

### ➤ WATER TREATMENT

Increasing urbanisation and population is driving the demand for safe drinking water. Moreover, rising awareness of hygiene among the people is leading to excessive water consumption.

### ➤ TEXTILE, FLAVOURS & FRAGRANCES

India has witnessed increasing demand for wide range of cosmetic chemicals, health care products and hygiene products that use specialty chemicals, polymers and oleo chemicals. This segment is likely to outperform other segments.

### ➤ CONSTRUCTION

Smart City' projects by the Indian government are driving growth of chemical companies in India. Availability of essential raw materials at low cost is anticipated to increase demand for construction chemicals.

## RECENT DEVELOPMENTS AND INVESTMENTS BY KEY PLAYERS

### ➤ Rise in production

- At the CPMA - Argus Petrochemical Online Forum held on August 25, 2021, President of India's Chemicals and Petrochemicals Manufacturers Association (CPMA), Mr. Kamal Nanavaty, said that the Indian petrochemicals industry will have to increase its production capacity tenfold to meet higher demand by 2050. He also highlighted that India's consumption is estimated to double every nine years at an annual rate of 8%.
- In July 2022, NTPC Renewable Energy Limited (NTPC REL) and Gujarat Alkalies and Chemicals Limited (GACL) signed an MoU to participate in the establishment of India's first commercial-scale Green Ammonia and Green Methanol plants.
- From August 2021-August 2022, India sold 3.27 crore bottles of nano urea and plans to produce 6.0 crore bottles of nano urea by the end of FY22-23.

### ➤ M&As

- 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 April 2022, Dorf Ketal, a manufacturer of research based specialised chemical has acquired Khyati Chemicals for US\$ 36.28-48.48 million (Rs 300-400crore).
- Pidilite Industries acquired Huntsman Group's Indian subsidiary for Rs. 2,100 crore (US\$ 283.38 million) to strengthen its adhesives and sealants portfolio and complement its retail portfolio.

### ➤ Self-reliant in fertilisers

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



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

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

➤ **Skills and technical support**

- Central Institute of Petrochemicals Engineering & Technology (CIPET), under the Ministry of Chemicals and Fertilisers, will establish two new 'Centres for Skilling and Technical Support' (CSTS) at Bhagalpur, Bihar and Varanasi, Uttar Pradesh. This will act as a catalyst for development and growth of new and existing industries in the region.
- On September 30, 2021, Prime Minister, Mr. Narendra Modi, inaugurated the CIPET: Institute of Petrochemicals Technology, Jaipur.
- In September 2021, CareerLabs, India's first profile building EdTech start-up, announced an industry certification programme for chemical engineers in partnership with Dr. Reddy's Laboratories Ltd. The partnership aims at opening avenues for students to pursue highly rewarding careers in the pharmaceutical industry and concurrently meet the ever-increasing demand for chemical engineers to cater to the need of the hour with relevant skill development.
- In June 2021, the Rubber Skill Development Council (RSDC) announced that it is expanding its vertical to cover the chemicals and petrochemicals sectors and will be now known by the name Rubber, Chemical, Petrochemical Skill Development Council (RCPSDC). The council will implement skill training programmes in chemicals and petrochemicals verticals for the youth across country.

➤ **International collaboration and investments**

- 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, Spanish perfume maker Puig acquired a controlling stake in Kama Ayurveda Pvt. owning 85% in the company.
- In May 2022, a global investment firm, PAG acquired Optimus group along with consortium partners CX Partners and Samara Capital.
- Advent International acquired a majority position in Avra Labs in January 2022, uniting it with two other businesses it had previously acquired, RACem Pharma and ZCL Chemicals.
- In 2021, the chemicals industry bagged PE/VC investments of a total of US\$ 74 million as compared to US\$ 53 million in 2020.
- 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).
- 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.

## **FAVOURABLE INITIATIVES BY GOVERNMENT**

- A 2034 vision for the chemical and petrochemical sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- 100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals
- Industrial licensing is approved in most sectors, except for few hazardous chemicals
- The Indian Government supports the industry in research & development, reduced the basic customs duty on several products and offers support through the 'Make in India' campaign

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

## **CHEMICAL INDUSTRY: EXPLORING NEW OPPORTUNITIES**

### ➤ **VALUE-CHAIN INTEGRATION**

- Camlin Fine Sciences acquired Borregaard Italia Spa<sup>54</sup>, a raw-material catechol manufacture, and Ningbo Wanglong, an end-product vanillin flavour manufacturer.
- The vertical integration made CFS the third-largest vanillin producer worldwide

### ➤ **ALTERNATIVE AND LOW-COST FEEDSTOCK**

- In November 2020, NextChem, and Indian Oil Corp. Ltd. (IndianOil) signed a memorandum of understanding (MOU) to use NextChem technologies to build industrial projects to support industrialisation of India's sustainable development.
- The projects would emphasis on recycling of plastics, production of biofuels from renewable feedstock and circular fuels and non-recyclable waste chemicals

### ➤ **GLOBAL FOOTPRINT AND CUSTOMER SEGMENTS**

- Aarti Industries generates >40% revenue from the global markets.
- UPL has presence in multiple markets with >30% of its revenue generated from Latin America.
- SH Kelkar has completed several strategic acquisitions, including China-based Anhui Ruibang Aroma and Italy's Creative Flavours and Fragrances; this helped expand its portfolio, improve technological platforms and gain access to new markets.

### ➤ **EXPOSURE TO CUTTING-EDGE TECHNOLOGIES**

Atul Chemicals, partnered with Akzo Nobel to access state-of-the-art eco-friendly hydrogenation technology for monochloroacetic acid (MCA) production in India.

## OUR BUSINESS

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

All financial information included herein is based on our “**Financial information of the Company**” included on page 157 of this Prospectus.

We are engaged in the business of custom synthesis and manufacturing of speciality chemical intermediates involving complex and differentiated chemistry. We commenced business as a partnership firm in the year 2004 and have, over the years, evolved into custom synthesis and manufacturing of Pharma Intermediates, AGRO intermediates, Cosmetics Intermediates, Pigment Intermediates and Dye Intermediates, etc. for a diverse base of Indian and global customers. We work with an approach towards chemistry combined with technology and systems that would lead to sustained product development. Our diverse range of products finds applications across various industries, including pharma, agrochemicals, cosmetics, pigments and dyes.

Our manufacturing facility situated at Viramgam District, Ahmedabad, Gujarat is spread across approximately 7000 square meters and is equipped with reactors enabling us to manufacture a diverse range of products. We also have a pilot plant with two glass line assembly and three reactors installed, for batch reaction technology. We use various chemistry compositions like: Acetylation, Amination, Catalytic hydrogenation, Chlorosulfonation, Methoxylation, Nitration, Amidation, Ethoxylation, Sulphonation etc which enables us to cater to niche and advanced intermediate requirements of a wider range of end-products and applications.

We have a dedicated in-house R&D facility which is equipped with laboratories engaged in development and innovation of catalytic process, new chemical screening, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. The Department of Scientific and Industrial Research has also recognized our in-house R&D facility. We have a diversified products portfolio due to our research and development (“R&D”) and technological capabilities. Our R&D team has successfully carried out multi-step synthesis and scale-up for several new molecules in the area of speciality intermediates and as a result expanded our commercialized product portfolio from around 100 products in Fiscal 2021 to around 140 products in Fiscal 2023. As of March 31, 2023, we have a team of 14 technocrats (with degrees such as Bachelor of Science, Master of Science, B. Pharma or Bachelor of Engineering.)

We are a One Star Export House exporting in countries like: USA, Israel, Spain, United Kingdom, China, Switzerland, Taiwan, Thailand, Mexico, Japan, Russia, France, Indonesia, Latvia, Germany etc. As of March 31, 2023, our product portfolio comprised of around 140 products. The revenue from top 10 products of the company for the Stub period ending June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 were Rs 1175.51 lakhs, 2879.94 lakhs, Rs 4748.77 lakhs and Rs 3259.68 lakhs which contributed to 40.83%, 28.16%, 57.33% and 39.15% of our total revenue from operations.

The share of revenue through application of speciality chemical intermediates across various Industry Segments are as under:

*(Rs. In Lakhs)*

Industry Segment	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Agro	528.53	915.64	1,478.56	360.95
Cosmetics	103.80	630.07	590.15	575.32
Dyes	958.81	7,044.37	5,187.98	6,565.87
Pharma	254.91	6.66	6.31	4.84
Pigment	0.00	108.39	-	27.32
Others	1032.81	1521.49	1019.94	791.25
<b>Total</b>	<b>2,878.86</b>	<b>10,226.62</b>	<b>8,282.94</b>	<b>8,325.55</b>

Our Company is led by our Promoters Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia and Vallabh Ratanji Savaliya each of whom is having an experience of more than 3 decades in the chemical and associated industry. Each of our Promoters is actively involved in the critical aspects of our business, including R&D, catalytic process and production, finance and marketing.

Over the years our Company has obtained various membership that facilitate our business and help us to secure orders from renowned customers. Our company secures following membership that add value to its operations:

- Life member of The Gujarat Dyestuff Manufacturers Association
- Member of Pharmaceuticals Export Promotion Council of India and
- Member of Basic Chemicals Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)
- We are member of Gujarat Chamber of Commerce & Industry
- Received Eco Care Membership Certificate for Solid Waste Disposal Facility.
- We are member of Novel Spent Acid Management for discharging 100 tons of acid per month.
- We are member of M/s A-One Green Enviro Project LLP for evaporation of effluent to the extent of 100 KL per day
- We are member of Chhatral Environment Management System Private Limited for disposal of high concentrated waste water

### Key Performance Indicators of our Company

*(Rs. In Lakhs except percentages and ratios)*

Key Financial Performance	June 30, 2023*	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2,878.86	10226.62	8282.94	8325.55
EBITDA <sup>(2)</sup>	521.78	1277.13	560.37	615.70
EBITDA Margin <sup>(3)</sup>	18.12%	12.49%	6.77%	7.40%
PAT	362.16	989.21	449.02	439.77
PAT Margin <sup>(4)</sup>	12.58%	9.67%	5.42%	5.28%
Net Worth <sup>(5)</sup>	2,595.67	2233.52	1244.31	795.29
RoE(% ) <sup>(6)</sup>	15.00%	56.89%	44.03%	109.22%
RoCE (% ) <sup>(7)</sup>	12.25%	38.86%	24.90%	33.44%

\*Not Annualized

#### Notes:

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

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

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

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

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

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

### OUR COMPETITIVE STRENGTHS

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

We are focused on manufacturing speciality chemical intermediates involving complex and differentiated chemistry and technology. Our products have applications across a wide spectrum of industry including pharma, agrochemicals, cosmetics, pigments and dyes. As of March 31, 2023 our product portfolio comprised around 140 products which were marketed to over 13 global customers spread in 12 countries and to around 75 domestic customers. Our diversification of revenue across multiple industries allows us to prevent any possible customer concentration in any of our product categories. In addition, our diversified product portfolio allows for limited dependence on individual products, helps counter seasonal trends and addresses different business cycles across industries where our products are used. With our track record and wide product portfolio, we have been able to retain our existing customers and have also been able to attract new customers.

The industry observes a high barrier to new entrants due to the complex catalytic processes requiring high level of technical knowledge and R&D capabilities. Based on the technical expertise we have developed over the years, we are able to carry out these processes for our products.

***Focus on R&D to leverage complex chemistry and technology***

Our focus on product and process innovation through continuous R&D has been instrumental in the growth of our business and improved our ability to customize products for our customers as well as reduced our cost of goods while maintaining our margins. Our R&D is focused on enabling us to perform multi-step synthesis as well as developing in-house processes and identifying complex chemistries. We have a dedicated in-house R&D facility which is equipped with laboratories engaged in development and innovation of catalytic process, new chemical screening and engineering, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. As of June 30, 2023, we have a team of 14 technocrats (with degrees such as Bachelor of Science, Master of Science, B. Pharma or Bachelor of Engineering). The Department of Scientific and Industrial Research has also recognized our in-house R&D facility. Based on the technical expertise we have developed over the years, we are able to carry out various chemistries and reactions at our manufacturing facility. Examples of the various chemistries that can be carried out at our manufacturing facility includes Acetylation, Amination, Catalytic hydrogenation, Chlorosulfonation, Methoxylation, Nitration, Amidation, Ethoxylation, Sulphonation etc. Examples of various technology reactions carried out at our manufacturing facility includes High Temperature Reaction upto 280°C; Low Temperature reaction upto -5°C, Solid Phase Back Reaction etc. Our R&D Facilities are dedicated to the development of our pipeline and new products such as Food Grade Folic Acid and HALQUINOL. Our R&D laboratory is fitted with equipment like: Various Analytical Instruments including High Performance Liquid Chromatograph, Oven, Weighing Scale, Ultrasonic Cleaner, PH Meter, Magnetic Stirrer with Heating, Auto Burette Set, Vacuum Pump, Fuming Hood etc.

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

We have developed long-term relationships with various corporations that has helped us expand our product offerings, processes and geographic reach. Our customers are typically engaged in various industries, including pharmaceuticals, Agrochemicals & Fertilizers, Water Treatment Chemicals, Cosmetics, Textile, specialty pigments and dyes, additives, polymer etc and are spread across various geographies, which helps us mitigate risks resulting from customer, industry and geographic concentration. As of March 31, 2023, our product portfolio was sold to over 13 global customers spread in 12 countries and to around 75 domestic customers.

During the stub period ending June 30, 2023, our largest customer contributed approximately 15.17% of our revenue from operations. During the stub period ending June 30, 2023 and in the Fiscal 2023, our largest customer contributed approximately 15.17% and 21.86% of our revenue from operations respectively. For the Stub period ended June 30, 2023, Fiscal 2023, 2022 and 2021, our top 10 customers contributed approximately 67.61%, 70.23%, 79.67% and 80.76% of our revenue from operations respectively. We enjoy relationships in excess of 5 years with around 7 customers. Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships also have helped us expand our product offerings and geographic reach. Our custom synthesis depending on purchase orders, contracts or agreements with our customers help us to receive repeat orders. During the Stub Period Ending June 30, 2023, Fiscal 2023, 2022 and 2021, we derived 64.17%, 66.13%, 46.02% and 36.53% of our revenue from operations in India and 35.83%, 33.87%, 53.98% and 63.47% of our revenue from operations from foreign countries. Our Geographical sales in Indian and in various continents is tabulated below:

***(Rs. In Lakhs)***

<b>Particulars</b>	<b>June 30, 2023</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
<b>Revenue from</b>				
India	1847.39	6762.60	3812.20	3111.73
Outside India				
1. Asia	956.37	2776.49	3404.55	4874.50
2. Europe	75.10	319.68	408.51	218.97
3. North America	-	367.85	657.68	120.35
<b>Total</b>	<b>2878.86</b>	<b>10226.62</b>	<b>8282.94</b>	<b>8325.55</b>

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

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

#### ***In-house manufacturing facility with equipped technologies and processes.***

Our manufacturing infrastructure is equipped with technology and systems that are key drivers for our products. Our manufacturing facility situated at Viramgam District, Ahmedabad, Gujarat is spread across approximately 7000 square meters. Our facility is equipped to function independently, with its own research & Development laboratory, pilot plant, quality department etc. Moreover we source majority of our raw material locally with minimum dependency on imports. Our manufacturing facilities employ technologies and systems such as High Temperature Reaction upto 280°C; Low Temperature reaction upto -5°C, Solid Phase Back Reaction etc

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

Our business is focused on emphasizing on quality, environment, health and safety. We believe that maintaining a high standard of quality for our products is critical to our continued growth. Across our manufacturing facilities, we have put in place quality systems that cover all areas of our business processes from manufacturing, supply chain to product delivery to ensure consistent quality, efficacy and safety of products. We are accredited with various quality certifications for Manufacture and supply of chemical intermediates & dyes stuff like: ISO 9001:2015 for Quality Management System, ISO 45001:2018 for Occupational, health and Safety Management System, ISO 14001:2015 for Environmental Management System and SA 8000:2014 for Social Accountability Management System. Our products go through various quality checks at various stages including random sampling check and quality check internally. Many of our key customers have audited and approved our facilities and manufacturing processes in the past, which ensures that our customers are able to confirm the continuance of quality of our facility and processes. We adhere to quality standards as prescribed by our customers to meet the desired requirement; hence we get repetitive orders from our customers.

Further, as part of environment and sustainability efforts, we have taken membership of Eco Care for Solid Waste Disposal Facility, Novel Spent Acid Management for discharging 100 tons of acid per month, M/s A-One Green Enviro Project LLP for evaporation of effluent to the extent of 100 KL per day and Chhatral Environment Management System Private Limited for disposal of high concentrated waste water.

We work to ensure a safe and healthy workplace. In addition, we have installed comprehensive safety equipment including Fire Hydrants, Fire Extinguisher provided, Eye Shower, Fire Balls, Self breathing Apparatus, Air Mask, Fire Shoot, First Aid Box etc. Our installed equipment and systems allows us to control our safety systems and processes.

#### ***Strong and consistent financial performance***

We have demonstrated stable financial performance and particularly in the last three fiscal years, with improved margins even. We have demonstrated consistent growth over the years. Over the last three years, we have focused our attention towards expanding our product portfolio which has resulted in an increase in our revenue from operations and profits. Our profit after tax has also grown at a CAGR of 49.98% from ₹ 439.77 lakhs in the Fiscal 2021 to ₹ 989.21lakhs in Fiscal 2023. Our Profit after tax for stub period ended on June 30, 2023 was ₹ 362.16 lakhs. Our profit after tax margin was 12.58%, 9.67%, 5.42% and 5.28% for the stub period ended on June 30, 2023 and for Fiscal 2023, 2022 and 2021.

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

We have an experienced and qualified management team including our Promoter and Managing Director, Dr. Pravinchandra Jasmat Vasolia who is a Ph. D in law with overall work experience of around 32 years, our Promoters and Whole Time

Directors, Kishorkumar Panchabhai Patolia who is a master of science in Pathology and Microbiology with overall work experience of around 30 years and Mr. Vallabh Ratanji Savalia who is a B.E in Chemical Engineering with overall work experience of around 35 years and our Non-Executive Director, Dr. Soumitra Sachipati Bannerjee who has completed Ph. D from University of Texas in Austin, USA and has an experience of 30 years in Life sciences, Speciality Chemicals and Medical Devices experiences. Thus, we are well placed to capitalize the knowledge and experience of our management team which has been instrumental in growth of our Company. Our promoters have substantial experience in the sectors which we serve, which enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively respond to changes in the market conditions. Our management team also includes our Promoters and Whole Time Directors, Mr. Rutesh Vallabhbai Savalia who is a Master of Science in chemistry and Mr. Shivam Kishorbhai Patolia who is a Master of Science.

Moreover, the independent directors on our Board, Jasmin Jasmatbhai Patel who is a Chartered Accountant with an experience of around 17 years, Kishankumar Dhirajlal Tilva who is a Chartered Accountant with an experience of around 4 years and Insiya Qaidjohar Nalawala who is a Practicing Company Secretary with an experience of around 3 years also add strength to our board of directors. Their advisory services and inputs are a value addition to our performance, compliance and overall operations.

Our mid-level management is supported by our trained personnel and skilled workers who benefit from our regular in-house training initiatives. We therefore believe that our qualified management and employee base have enabled us to extend our operating capabilities, improved the technical quality of our products and facilitated our growth in the industry.

## **OUR BUSINESS STRATEGIES**

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

We seek to leverage our capabilities, including our manufacturing facilities and quality control practices, to further expand our product portfolio in the existing segments and also enter new business segments. We believe that by developing innovative products and processes and undertaking complex chemistries in our manufacturing operations we can successfully expand our product offerings to larger customer base. Continuous R&D in manufacturing technology and process contributes to better margins. We intend to continue to focus on our ability to customize our products according to the specific requirements of our customers and broaden our portfolio through innovation, focus on sustainable solutions, undertake new chemistries and perform multi-step synthesis of niche products. Currently we are manufacturing various kinds of speciality chemicals catering to the pharma, agrochemicals, cosmetics, pigments and dyes industry. We intend to enhance our capabilities and hence grow value chains to manufacture products like:

- (a) Food Grade Folic Acid, which is a nutrient supplement for human and animal consumption. The product is in the stage of R&D and commercialization of the same is pending.
- (b) HALQUINOL is a veterinary antibiotic and feed additive used to promote animal health and growth. It's commonly employed in livestock and poultry farming to prevent and treat various bacterial infections and improve feed efficiency. We have commercial trials/ sample tests of the said product under development.

This we believe will be possible through acquisition of new customers for existing product lines / capabilities as well as through establishment of new capabilities and plant and machineries that could be used to cater to existing and new customers.

*Capitalize on upward trend of chemical industry and government policy initiatives in the sector.*

Our manufacturing capabilities enable us to capitalize on the growing opportunities and emerging trends in our industry, particularly in the chemical industry where the industry is expected to grow at 9.3% to reach US\$ 304 billion by 2025 on the back of rising demands in the end-user segments for specialty chemicals and petrochemicals. The specialty chemicals sector is expected to reach US\$ 40 billion by 2025. The Indian dyes and pigments market is projected to reach US\$ 63 billion by 2022, accounting for about 16-18% of the global dye production. The agrochemicals market in India is expected to register 8.6% CAGR to reach US\$ 7.4 billion between 2021 and 2026.

(Source: [https://www.ibef.org/download/1695900466\\_Chemicals\\_May\\_2023.pdf](https://www.ibef.org/download/1695900466_Chemicals_May_2023.pdf))

The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters. 100% FDI is allowed in the chemical sector under automatic route with exception to few hazardous chemicals. The Indian Government supports the industry in research & development, reduced the basic customs duty on several products and offers support through the ‘Make in India’ campaign. Four Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) have been set up as the investment regions for petroleum, chemicals and petrochemicals along with associated services. The Government of India is considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports. (Source: [https://www.ibef.org/download/1695900466\\_Chemicals\\_May\\_2023.pdf](https://www.ibef.org/download/1695900466_Chemicals_May_2023.pdf))

In this context our company is well-poised to capitalize on these opportunities and initiatives by the Government of India, creating value for all of the stakeholders involved, in the process. We believe a significant demand for our products is generated in India owing to our government’s objective to enhance domestic sourcing as well as self-reliance, and that our ability to supply chemical intermediates enables us to tap growth opportunities.

We also intend to capitalize on the unutilized capacity at our manufacturing facility to further increase production of our current portfolio and take advantage of the experience of our sales and marketing team to increase our visibility in the domestic and international market.

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

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

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

As of March 31, 2023, our product portfolio was sold to over 13 global customers spread in 12 countries and to around 75 domestic customers. We enjoy relationships in excess of 5 years with around 7 customers. We believe that the long-standing relationships that we have enjoyed with our customers over the years has helped us grow. In addition, we have sales and marketing team and business development team that is dedicated to taking new orders, quoting rates and aids in understanding the requirements of our customers. We intend to focus on increasing our wallet share with existing customers. We have built long-standing relationship with our customers through various strategic endeavors, which we intend to leverage by selling baskets of products to the same customers. In addition, we intend to continue to leverage our existing sales and marketing network, diversified product portfolio. We are expanding globally to serve our existing direct end-use customers as well as to secure new direct end-use customers and expand the reach of our products in new markets.

**Our Product Portfolio**

As of March 31, 2023, our product portfolio comprised of around 140 products. Details of the major products of our company are tabulated below:

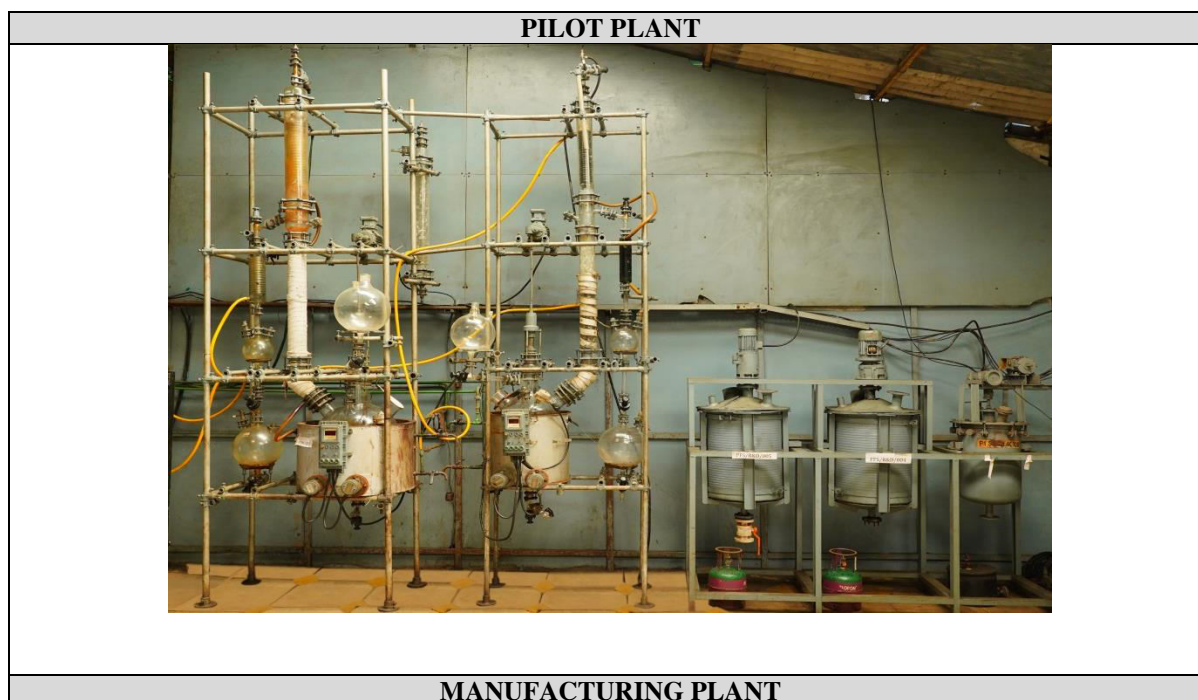
<b>Product</b>	<b>Industry Sector</b>	<b>Description</b>
DICHLONE	Dye Intermediates	Dichlone has applications in the textile industry as a dyeing auxiliary. It can be used as a color-bleeding inhibitor or as an agent to enhance the color fastness of textile dyes. It helps improve the wash-fastness and light-fastness properties of dyed fabrics
CHLORANIL	Dye Intermediates	Chloranil-based dyes may find application in specific dyeing processes or industries where their unique color properties or stability characteristics are



		advantageous. These include applications in textiles, printing inks, paints, and coatings. It is extensively used as key raw material for premium Pigment Violet 23.
3,4-Dimethoxy Aniline	Dye Intermediates	It can be utilized in the synthesis of dyes and pigments for coloring textiles, plastics, and other materials. The specific properties of 3,4-Dimethoxyaniline make it suitable for certain coloration processes. Some derivatives of 3,4-Dimethoxyaniline have been explored for potential use in pharmaceuticals. It may serve as a building block in the synthesis of active pharmaceutical ingredients (APIs) or intermediates for drug production.
2-AM-5-METHOXY BENZENE-1,4-DISulfonic acid Disodium SALT	Pharma Intermediates	It has been extensively studied for its potential applications in various scientific fields. In organic synthesis, it has been used as a reagent for the preparation of a variety of compounds, such as amides, esters, and amines. In drug development, 2-Amino-5-methoxybenzene-1,4-disulfonic acid has been used to synthesize various drugs, such as analgesics, anti-inflammatory drugs, and antibiotics. In biochemistry, 2-Amino-5-methoxybenzene-1,4-disulfonic acid has been used as a reagent for the synthesis of proteins and peptides.
5-Nitro-2-Amino Phenol	Dye Intermediates	It is used in the synthesis of dyes and pigments, particularly in the production of azo dyes. The compound's nitro and amino groups make it suitable for creating vibrant and stable colors used in textiles, paints, and other products. 5-Nitro-2-Amino Phenol has been used in photographic processes, including as a developing agent in black and white photography.
1-ACETAMIDO-7-NAPHTHOL	Dye Intermediates	This compound is used in the synthesis of dyes and pigments, particularly in the production of azo dyes. Azo dyes are widely used for coloring textiles, paints, inks, and various other products due to their vibrant and stable colors.

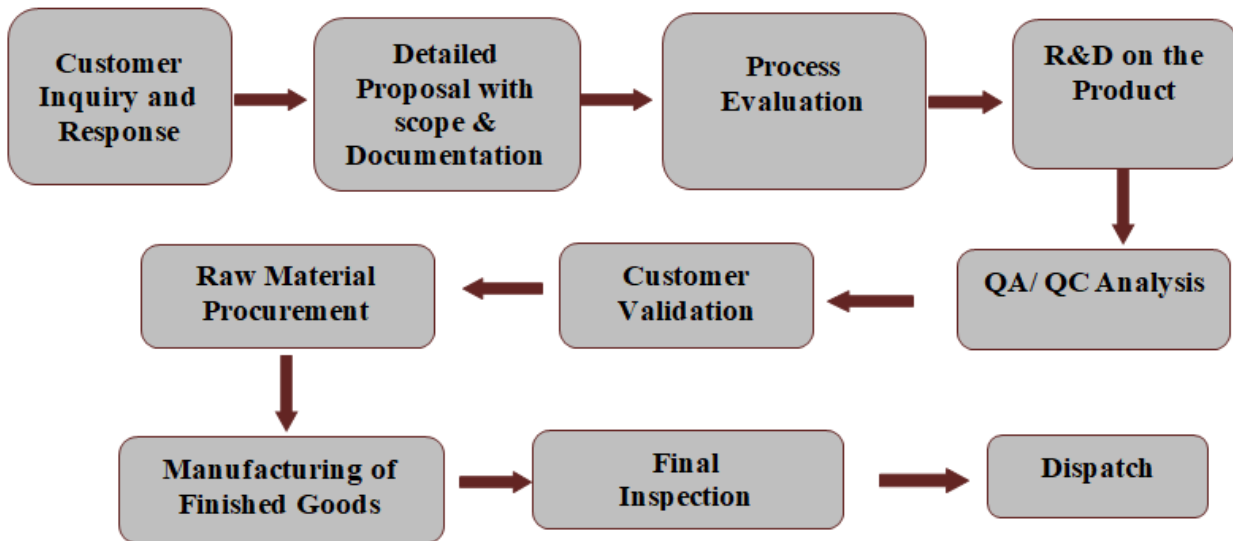
In addition to above some 4 types of speciality chemical composition also form part of top 10 products of the company developed under NDA Agreement with one of our multinational customers and details of the same cannot be disclosed.

## OUR MANUFACTURING FACILITY





## OUR MANUFACTURING PROCESS



Our manufacturing process involves agreements/contracts/purchase orders from our customers that typically impose confidentiality and secrecy obligations on us. A detailed proposal with scope & documentation is sent for inquiry and we are required to strictly adhere to the technical specifications mentioned therein. For our export orders we are required to comply with various international and organizational codes and practices. Our manufacturing facility may be inspected by our customers for quality assurance system. Upon receipt of proposal, technicalities and process of product is evaluated and in some cases samples are sent to customers for their analysis and validation. Once the product is validated requisite raw material is procured to manufacture finished goods. We have designed and developed our manufacturing facility based on a chemistry and technology model. Each product is a result of various chemistries and processes applied as per the desired results. The raw materials are charged continuously/ batch-wise in reactors of suitable capacity and design based on the type of reaction. Other technical parameters such as temperature, pressure and reaction time are maintained based on the type of reaction to be carried out. The product is ultimately tested to ensure it meets the applicable specifications before it is supplied to the customer.

### **INFRASTRUCTURE FACILITIES:**

**Availability of Raw Material** – The raw materials we use in our manufacturing process are primarily sourced from third party suppliers in India and some are also imported from China. During the Stub period ended June 30, 2023 and Fiscal 2023,

Fiscal 2022 and Fiscal 2021, our purchases of raw material amounted to ₹ 2507.65, ₹ 8,184.23 lakhs, ₹ 6,683.91 lakhs and ₹ 5,718.34 lakhs respectively. Our raw materials include anthraquinone disulfonic acid di sodium, dithiosalicylic acid, cleave acid, anthraquinone, dichloro, nitroaniline, sulfonic acid, nitrophenol hydroquinone, meta phenylene diamine, gamma acid, beta naphthol, vinyl sulphone, methyl, diaminoazobenzene, propylene diamine, sodium naphthionate etc. We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers from the open market. The prices of our key raw materials depend on crude oil prices which has been globally volatile and increases in the prices of these materials have an impact on our cost of production.

**Power and fuel** - The requirement of power in our manufacturing facilities is met through Uttar Gujarat VIJ Company Limited. We use diesel generators to meet exigencies to ensure that our facilities are operational during power failures.

**Water** - Our current water consumption at our manufacturing units are sourced from local sources and from borewell.

### Collaborations/ Tie Ups/ Joint Ventures

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

### Capacity and Capacity Utilization

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

Particulars	2022-23	2021-22	2020-21
	Qty in MT	Qty in MT	Qty in MT
Installed Capacity	601.20	601.20	601.20
Actual Production	450.24	343.80	336.20
Capacity Utilization	74.89%	57.19%	55.92%

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

### Plant & Machinery

The major plant & machinery installed at our factory are as under: Boiler Machine (Thermic Heater), Digital Weighing Scale, Dryer, HDPE Spiral Tank, Hoist, Hot Air Gun, HPLC (Aglient 1100 Series), Lab Equipments, GC Machine, Safety Instruments, Water Purifier, SS Chambers, 20TR Brine Chiller, Cyclone Hot Air Generator, Spray Dryer System etc.

### Sales and Marketing

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

Our in-house teams focus on involving our R&D team to work closely with our customers or prospective customers to design products customized to meet their specific requirements. Our Company is a member of The Gujarat Dyestuff Manufacturers Association, Pharmaceuticals Export Promotion Council Of India, CHEMEXCIL, Gujarat Chamber of Commerce & Industry and is recognized as One Star Export House. We also participated in various domestic and international industry specific exhibitions, such as, China Interdye Exhibition, the Chemspec exhibition held in Europe and ChemExpo held in

India. Also our promoter Kishorkumar Panchabhai Patolia is appointed member of Central Advisory Board of Specialty Chemicals World Expo 2024. Our association and alliance with all the respective forum in the Industry provides us platform to expand our customer base.

### Competition

Our company operates in a very niche industry which presents significant entry barriers, including customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. There are various large and small manufactures that develop similar products that we sell. These players in the industry may have greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow them to better respond to market and technological trends. We believe that we do not exactly compete with any particular listed Indian company for the range of chemistries, scope of services and the products that we cater to, however some of the listed companies that are in the business similar to ours are: Aether Industries Limited, Anupam Rasayan India Limited, Bodal Chemicals Limited and Deepak Nitrite Limited.

### Human Resource:

We have in our team qualified, technical, skilled and unskilled personnel who are abreast with the updated manufacturing norms. They are committed & dedicated to maintain the specified standard, quality & safety of our products. As on June 30, 2023 we have employed 56 full time employees and 5 workers on contractual basis. We have employed a prudent mix of the experienced staff and youth which gives us the dual advantage.

### Insurance

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



### IMMOVABLE PROPERTIES

Details of our immovable properties are as below:

Sr. No.	Details of the Property	Actual Use	Owned/Leased
1	1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat-380054, India	Registered Office	Owned
2	Office No. 1003-B, 10th Floor, Parshwa Tower of Kant Apartment co-operative housing society ltd. Final Plot no. 124 of T.P. Scheme no. 1/B of Mauje Bodakdev (sim), Ghatlodia Taluka, Ahmedabad Ahmedabad-380054, Gujarat	Office premises	Owned
3	Virangam Co. op. Ind. Estate Ltd, Plot no. 4, Situated at Survey No. 1359, 1360 Village-Virangam Taluka- Virangam, District-Ahmedabad-382150, Gujarat.	Factory	Owned
4	Virangam Co. op. Ind. Estate Ltd, Plot no. 5, Situated at Survey No. 1359, 1360 Village-Virangam Taluka- Virangam, District-Ahmedabad-382150, Gujarat.		Owned
5	No. 1003-A, 10th Floor, Parshwa Tower of Kant Apartment co-operative housing society ltd. S.g. Highway, Mauje Bodakdev, Taluka, Ahmedabad-	Office premises	Leased

Sr. No.	Details of the Property	Actual Use	Owned/Leased
	380054, Gujarat		
6.	Plot No 10/A, Situated at Survey No. 1359, 1360 Village-Viramgam Taluka-Viramgam, District-Ahmedabad-382150, Gujarat.	To Develop Warehouse	Owned

#### Details of Intellectual Property

Sr No.	Name Applied	Nature	Application Date	Application Number	Class	Present Status
1.	Paragon Fine And Speciality Chemical Private Limited 	Trademark	June 27, 2022	5506051	1	Opposed
2.	Paragon Fine And Speciality Chemical Private Limited 	Trademark	June 27, 2022	5506052	35	Opposed
3	ENERGISING CHEMISTRY	Wordmark	August 29, 2023	9170204	1	Applied
4	ENERGISING CHEMISTRY	Wordmark	August 29, 2023	9170234	35	Applied

## **KEY INDUSTRY REGULATIONS AND POLICIES**

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

*For details of such approvals, please see the section titled “Government and other Approvals” on page 216 of this Prospectus-*

### **INDUSTRY SPECIFIC REGULATIONS**

#### **The Factories Act, 1948**

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions.

#### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 (“L.M. Act”) governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act.

#### **Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodities Rules”)**

The Packaged Commodities Rules lay down specific provisions applicable to packages intended for retail sale, whole sale and for export and import and also regulate pre-packaged commodities in India, inter alia by mandating certain labelling requirements prior to sale of such commodities. Legal Metrology (Packaged Commodities) (Amendment) Rules (“Packaged Commodity Amendment Rules”) issued on June 23, 2017 have introduced important amendments to the Packaged Commodity Rules, especially in relation to ecommerce entities. The Packaged Commodity Amendment Rules came into force from January 1, 2018. The key provisions of the Packaged Commodity Amendment Rules are regarding the size of declarations on the label, declaration on e-commerce platforms, declaration of name and address of the manufacturer and fine for contravention.

#### **Bureau of Indian Standards Act, 2016 (“BIS Act”)**

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. The BIS Act has enabling provisions for the Government to bring under compulsory certification regime any goods or article of any scheduled industry, process, system or service which it considers necessary in the public interest or for the protection of human, animal or plant health, safety of the environment,

or prevention of unfair trade practices, or national security. The BIS Act also allows multiple type of simplified conformity assessment schemes including self-declaration of conformity against a standard which will give simplified options to manufacturers to adhere to the standards and get certificate of conformity. The BIS Act enables the Central Government to appoint any authority/agency, in addition to the BIS, to verify the conformity of products and services to a standard and issue certificate of conformity. Further, there is also a provision for repair or recall, including product liability of the products bearing standard mark but not conforming to the relevant Indian Standard.

#### **Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Packaged Commodities) Rules, 1977**

The Standards of Weights and Measures Act, 1976 aims at introducing standards in relation to weights and measures used in trade and commerce. The rules made thereunder, particularly the Standards of Weights and Measures (Packaged Commodities) Rules, 1977, lay down the norms to be followed, in the interests of consumer safety, when commodities are sold or distributed in packaged form in the course of inter-state trade or commerce. This Act and rules formulated thereunder regulate inter alia inter-state trade and commerce in weights and measures and commodities sold, distributed or supplied by weights or measures.

#### **Prevention of Black Marketing and Maintenance of Supplies Act, 1980**

It is an Act for detention in certain cases for the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith”.

#### **Static and Mobile Pressure Vessels (Unfired) Rules 2016 (“SMPV Rules”)**

The SMPV Rules regulate the manufacture, filling, delivery, import, modification and repair of pressure vessels. Under the SMPV Rules, licenses are required to be obtained for storage and transportation of compressed gas. The SMPV Rules also prescribe conditions under which the licenses can be amended, renewed, suspended or cancelled.

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

The HCR Rules are formulated under the Environment (Protection) Act, 1986. The HCR Rules are applicable to an industrial activity in which a hazardous chemical 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 accidents and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a 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.

#### **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 central 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.

### **Indian Boilers Act, 1923**

The Indian Boilers Act, 1923 (the “Boilers Act”) states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

### **Industrial (Development and Regulation) Act, 1951 (the “Industrial Act”)**

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defence equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum (“IEM”) with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

### **Laws Relating To Specific State Where The Establishment Is Situated**

#### **Gujarat Industrial Policy 2013**

The policy aims to make Gujarat as an attractive “Total Business Destination” expedites the overall country’s economic growth, thereby increasing the standard of living and prosperity among the people of Gujarat by giving them the opportunity for skilled employment and availability of nurtured enterprise. This policy of Gujarat is a framework than a detailed blueprint, aimed at defining the broad contours of the government’s mission towards augmenting the industrial development of the state. The projects are classified into four categories wherein less than ₹10 crores is termed as MSME. Further there was promotion of Cluster Development in State. Clusters are geographic concentrations of competing and collaborating firms that tend to speed up economic development in an area by improving competitiveness, developing synergies and introducing innovation especially in the MSME sector.

Being an industrialized state, Gujarat needs to have a strategy which can support industrialization through higher value addition. There is a provision for financial assistance proposed in the New Industrial Policy which is as follows:

- a) Assistance will be subject to preparation of a Comprehensive Development Plan for 5 years by the project cluster group
- b) Pecuniary assistance to nodal institutions/hiring of experts
- c) Clusters will be eligible for financial assistance as available under the Scheme of Critical Infrastructure.

The policy aims at enhancing competitiveness in MSME sector. The state has witnessed strong growth in the sector and envisages strengthening the sector and making it more technology driven. To motivate the entrepreneurs the Gujarat government will constitute separate awards for MSMEs. The use of Enterprise Resource Planning System (ERPS) will be encouraged in the sector.

#### **Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976**

The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976 (commonly known as Profession Tax Act) came into force with the object of levying tax on professions, trades, callings and employments. It extends to the whole state of Gujarat.



### **Gujarat Shops and Establishment Act, 2019**

The Gujarat Pradesh Shops and Establishments Act, 2019 and Rules, 2020 are applicable to all the shops and commercial establishments in the whole of the Gujarat State.

The Act is enacted for the purpose of protecting the rights of employees. The Act provides regulations of the payment of wages, terms of services, work hours, rest intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, etc.

### **Gujarat Fire Prevention and Life Safety Measures Act, 2013**

The Gujarat Fire Prevention and Life Safety Measures Act, 2013 was enacted to make effective provisions for the fire prevention, safety and protection of life and property, in various types of buildings and temporary structures or shamiyana or tents or mandap likely to cause a risk of fire in different areas in the State of Gujarat and for matters connected therewith or incidental thereto.

## **LABOUR RELATED LEGISLATIONS**

### **Payment of Bonus Act, 1965**

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

### **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 (“PG Act”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation;
- b) On his/her retirement or resignation;
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply). Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

### **Workmen’s Compensation Act, 1923 (“WCA”)**

Workmen’s Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961, as amended, regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA Act”)**

The Contract Labour (Regulation and Abolition) Act, of 1970 (the “CLRA Act”) requires a company to be registered as a principal employer and prescribes certain obligations with respect to the welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to the establishment of canteens, restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

### **Employees’ State Insurance Act, 1948**

It Employees’ State Insurance Act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952(“EPF Act”)**

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

### **Payment of Wages Act, 1936**

The Payment of Wages Act, 1936 as amended (the Payment of Wages Act) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and / or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines and deductions and lays down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable are less than Rs. 6,500 per month.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 (Industrial Disputes Act) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled,

technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### **Building and Other Construction Workers Act, 1996, as amended (the “BOCW Act”)**

The BOCW Act provides for regulating the employment and conditions of service of building and other construction workers and also provides for their safety, health and welfare measures and other matters connected therewith or incidental thereto. The Building and Other Construction Workers’ Welfare Cess Act, 1996, as amended (the “BOCWWC Act”) The object of this Act is to provide for the levy and collection of a cess on the cost of construction incurred by employers with a view to augmenting the resources of the Building and Other Construction Workers’ Welfare Boards constituted under the BOCWWC Act.

### **Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines-Sexual Harassment to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an Internal Complaints Committee at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a Local Complaint Committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

### **Apprentices Act, 1961**

The Apprentices Act, 1961, as amended (the Apprentices Act) regulates and controls the programme of training of apprentices and matters connected there with. The term Apprentice means a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Apprenticeship Training means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976, as amended (ER Act) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

Inter-State Migrant Workmen Act is an act enacted by the Parliament of India to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. This Act is applicable to every establishment and contractor who has employed five or more inter-state of Pass-Book to every inter-state migrant workmen with full details, payment of displacement allowance equivalent to 50% of monthly wages of Rs. 75/-, whichever is higher, payment of journey allowance including payment of wage during the period of the journey, suitable residential accommodation, medical facilities and protective clothing, payment of wages, equal pay for equal work irrespective of sex, etc. The main responsibility for the enforcement of the provisions of the Inter-State Migrant Workmen Act lies with the Central Government and the State Governments/Union Territories in the establishments falling in the Central and State sphere, respectively.

### **Industrial Employment Standing Orders Act, 1946**

The Industrial Employment Standing Orders Act, 1946 aims to provide for the fixation of minimum rates of wages, hours of work, holidays with pay and leave with pay in factories, workshops and other establishments or undertakings which employ ten or more workers.

It also provides for the regulation of facilities like medical aid and welfare schemes to be extended by employers to their employees. It was enacted to monitor and regulate the terms and conditions of industrial employment in India. It made provisions for the security of employment and payment of wages by cash or through cheque etc. The Act also provides for machinery for adjudicating disputes regarding violation of such terms and conditions. A Standing Order is a document setting out terms and conditions of employment for workers in an industry.

### **Child Labour (Prohibition and Regulation) Act, 1986**

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001**

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

## **TAX RELATED LEGISLATIONS**

### **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 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax like are also required to be complied by every Company.

### **Goods and Service Tax (GST)**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable

thereon and file the appropriate returns as applicable thereon. GST has replaced following indirect taxes and duties at the central and state levels.

### **Central Excise Act, 1944**

Excise duty is levied on production of goods but the liability of excise duty arises only on removal of goods from the place of storage, i.e., factory or warehouse. Unless specifically exempted, excise duty is levied even if the duty was paid on the raw material used in production.

### **Customs Regulations**

All imports into India are subject to duties under the Customs Act, 1962 at the rates specified under the Customs Tariff Act, 1975. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

## **ENVIRONMENTAL LAWS AND REGULATIONS**

### **Environmental Regulations**

The Environmental Protection Act, 1986 (“Environment Protection Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) and the Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) provide for the prevention, control and abatement of pollution. Pollution Control Boards (“PCBs”) have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Waste Rules”) impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste.

### **National Environmental Policy, 2006**

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

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

### **Plastic Waste Management (PWM) Rules, 2016**

The Government of India, through the Ministry of Environment, Forest and Climate Change notified the new Plastic Waste Management Rules, 2016 (through a Gazette notification dated 18 March 2016). This supersedes the Plastic Waste (Management and Handling) Rules, 2011 that governed such activities earlier. This provides the framework for how plastic waste generators, local bodies, manufacturers, importers etc., to manage plastic waste.

## **FDI POLICY**

Foreign Trade (Development and Regulation) Act, 1992

Foreign Trade Act empowers the Government of India to, among other things, (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate an EXIM policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating EXIM policy and implementing the same. Every importer and exporter is required to obtain an 'Importer Exporter Code' from the Director General of Foreign Trade or from any other duly authorized officer.

### **Foreign Trade Policy**

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP.

### **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. 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 FIPB 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, 2000 (“FEMA Regulations”), as amended from time to time 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, 2000 for regulation on exports of goods and services.

### **GENERAL STATUTORY LEGISLATIONS**

Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as:

- (i) a micro enterprise, where the investment in plant and machinery does not exceed ₹ 25,00,000/- (Rupees Twenty- Five Lakhs Only);
- (ii) a small enterprise, where the investment in plant and machinery is more than ₹ 25,00,000/- (Rupees Twenty -Five Lakh Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only); or
- (iii) a medium enterprise, where the investment in plant and machinery is more than ₹ 5,00,00,000/- (Rupees Five Crores Only) but does not exceed ₹ 10,00,00,000/- (Rupees Ten Crores Only).

In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as:

- (i) a micro enterprise, where the investment in equipment does not exceed ₹ 10,00,000/- (Rupees Ten Lakhs Only); (
- (ii) a small enterprise, where the investment in equipment is more than ₹ 10,00,000/- (Rupees Ten Lakhs Only) but does not exceed ₹ 2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than ₹ 2,00,00,000/- (Rupees Two Crores Only) but does not exceed ₹ 5,00,00,000/- (Rupees Five Crores Only).

The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **Companies Act, 2013 (“Companies Act”)**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for

incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the director's payable by the companies is under Part II of the said schedule.

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates combinations in India. The Competition Act also established the Competition Commission of India (the —CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

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

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **Specific Relief Act, 1963**

The Specific Relief Act, 1963 is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. Specific performance means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

### **Sale of Goods Act, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **Consumer Protection Act, 2019 (“Consumer Protection Act”) and Rules Made Thereunder**

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protects the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level

marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

### **Code of Civil Procedure, 1908**

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### **Code of Criminal Procedure Code, 1973**

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1st April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

### **Arbitration & Conciliation Act, 1996**

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and



facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

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

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

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

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Energy Conservation (Amendment) Act, 2022**

The Energy Conservation Act, 2001 was enacted to provide for efficient use of energy, its conservation and for matters connected therewith and/ or incidental thereto. The amended Act provides for regulation of energy consumption by equipment, appliances, vehicles, vessels, industrial units, buildings or establishments that consume, generate, transmit or supply energy. With special focus on promotion of new and renewable energy and the National Green Hydrogen Mission, the amendment seeks to (i) facilitate the achievement of “Panchamrit” — the five nectar elements presented by India in COP-26 (Conference of Parties -26) in Glasgow 2021.

In addition to facilitating the achievement of ‘Panchamrit’, the amended Act aims to promote renewable energy and develop the domestic carbon market to combat climate change and introduce new concepts such as carbon trading and mandate the use of non-fossil sources to ensure faster decarbonisation and help achieve sustainable development goals in line with the Paris Agreement and various other actions related to climate change.

## **INTELLECTUAL PROPERTY RELATED LEGISLATIONS**

In general, the Intellectual Property Rights include but are not limited to the following enactments:

- i. Trademarks Act, 1999
- ii. Indian Copyright Act, 1957

### **Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed.

If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

### **Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, and rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Few More Laws need certification for:

1. The Public Liability Insurance Act, 1991 (“PLI Act”)
2. The Explosives Act, 1884 (“Explosives Act”)
3. The Petroleum Act, 1934 (“Petroleum Act”) and Petroleum Rules, 2002
4. The Narcotic Drugs and Psychotropic Substances, Act, 1985 (“NDPS Act”) and the Narcotic Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013 (“NDPS Order”)
5. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)
6. The Patents Act 1970 (“Patents Act”)
7. Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation
8. Employees Deposit Linked Insurance Scheme, 1976
9. The Employees Pension Scheme, 1995
10. Gujarat Value Added Tax Act, 2003 (“GVAT”)

### **OTHER LAWS**

#### **Municipality Laws**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health 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/Establishments 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 from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## HISTORY AND CORPORATE STRUCTURE

### **Brief History and Background of our Company**

Our company was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of “M/s. Devarshi Dyechem”, pursuant to a deed of partnership dated February 02, 2003, entered between Manubhai Mongabhai Prajapati, Sureshbhai Natvarlal Patel and Kusumben Prahladbhai Patel. Thereafter, the said partnership firm was purchased by two of our existing promoters, Vallabh Ratanji Savaliya and Pravinbhai Panchabhai Patolia along with Pravinchandra Jasmat Vasolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha pursuant to a deed of partnership dated February 26, 2004. The name of the partnership firm was then changed to M/s. Paragon Industries. Thereafter a deed of partnership dated April 04, 2009 was entered to admit Kishor Panchabhai Patolia and to retire Pravinbhai Panchabhai Patolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha as partners. Later a deed of partnership dated November 20, 2017 was executed to admit Bansari Kishor Patolia, Priydarshna Kishorkumar Patolia, Nitaben Pravinchandra Vasolia and Heamanshi Pravinbhai Vasoliya as partners in the existing partnership firm. Further, “M/s Paragon Industries” was converted from partnership firm to a Private Limited Company under Part XXI of the Companies Act, 2013 in the name of “Paragon Fine and Speciality Chemical Private Limited” vide Certificate of Incorporation dated November 02, 2018 bearing registration no. 105071 issued by Registrar of Companies, Central Registration Centre bearing CIN U24304GJ2018PTC105071. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on July 15, 2022 and consequently the name of our Company was changed from “Paragon Fine And Speciality Chemical Private Limited” to “Paragon Fine And Speciality Chemical Limited” vide a fresh certificate of incorporation dated August 23, 2022 issued by the Registrar of Companies, Ahmedabad bearing CIN U24304GJ2018PLC105071.

Nitaben Pravinchandra Vasolia, Heamanshi Pravinbhai Vasoliya, Pravinchandra Jasmat Vasolia, Vallabh Ratanji Savaliya, Kishor Panchabhai Patolia, Priydarshna Kishorkumar Patolia and Bansari Kishorbhai Patolia were the initial subscribers to the Memorandum of Association of our Company.

### **Address of the Registered Office and Factory:**

<b>Registered Office</b>	1001/1, Parshwa Tower, Near Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad, Gujarat-380054, India
<b>Factory</b>	Viramgam Co. op. Ind. Estate Ltd, Plot no.4 and 5, Situated at Survey No. 1359, 1360 Village-Viramgam Taluka- Viramgam, District-Ahmedabad-382150, Gujarat.

### **Changes in the Registered Office of the Company since Incorporation:**

There has not been any change in our Registered Office since inception of the Company till the date of the Prospectus.

### **Main Objects of our Company as per the Memorandum of Association:**

The main object of our Company, as set forth in our Memorandum of Association, is as follows:

1. To carry on business of manufacturing, buying, selling, trading, importing, exporting, Frozen, Store, Distributors and dealing in all types of Industrial chemicals, chemicals, chemicals compounds (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever and Edible Oils, vegetable oils, spices, grains, pulses, oils, oil seeds, and all other commodities and all by-products and joint products thereof and all type of petro chemical products like oil, grease, bitumen etc. as well as all type of gas products and also deal in agricultural items.

### **Amendments to the Memorandum of Association**

Set out below are the amendments that have been made to our Memorandum of Association, in the last ten years preceding the date of this Prospectus:

<b>Date of Meeting</b>	<b>Type of Meeting</b>	<b>Nature of Amendments</b>
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Date of Meeting	Type of Meeting	Nature of Amendments
July 04, 2022	EGM	Increase in the authorized share capital of the Company from ₹10.00 Lakhs divided into 1,00,000 Equity Shares of ₹ 10/- each to ₹12.00 Crore divided into 1,20,00,000 Equity Shares of ₹10/- each.
July 15, 2022	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently, name of the Company has been changed from “Paragon Fine and Speciality Chemical Private Limited” to “Paragon Fine and Speciality Chemical Limited” and a fresh Certificate of Incorporation dated August 23, 2022 bearing CIN U24304GJ2018PLC105071 was issued by Registrar of Companies, Ahmedabad.
September 27, 2022	EGM	Alteration of the Objects Clause of the Memorandum of Association (“MOA”) of the Company.
July 19, 2023	EGM	Increase in the authorized share capital of the Company from ₹12.00 Crore divided into 1,20,00,000 Equity Shares of ₹ 10/- each to ₹20.00 Crore divided into 2,00,00,000 Equity Shares of ₹10/- each.

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

Our Company has adopted a new set of Articles of Association in accordance with the applicable provisions of the Companies Act 2013, at the Extraordinary General Meeting of the Company held on July 15, 2022.

#### Major events and milestones of our Company:

The Table below sets forth some of the major events in the history of our company:

Year	Key Events/ Milestone/ Achievements
2004	We originally started business of manufacture and sale of chemicals as a partnership firm “M/s Paragon Industries”
2004	Initiated manufacturing of Hair Colour or Dye Intermediates
2004	Received Import Export code
2013	Received ISO 9001:2015
2017	Received OHSAS 18001: 2007
2018	Incorporation of the Company as Private Limited Company from partnership firm
2020	Received ISO 45001:2018
2020	Received ISO 14001:2015
2021	Received DSIR approval for our in house R&D facility.
2022	Received One Star Export House certified
2022	Received SA 8000 certification.
2022	Conversion of the Company from Private Limited to Public Limited.
2023	Land Acquired for Warehouse near Viramgam Plant

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

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Prospectus.

#### Our Holding Company:

As on the date of the Prospectus, our Company is not a subsidiary of any company.

**Our Associates and Joint Ventures:**

As on the date of this Prospectus, our Company does not have any Associate Company and Joint Ventures.

**Our Subsidiaries:**

As on the date of this Prospectus, we do not have any Subsidiary Company.

**Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc.:**

Our Company has not made any material acquisitions or divestments of business/undertakings mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Prospectus.

**Injunction or Restraining Order:**

Except as disclosed in the section titled *“Outstanding Litigation and Material Developments”* beginning on page 213 of this Prospectus, there are no injunctions/ restraining orders that have been passed against the Company.

**Capacity/ Facility Creation, Location of Plants**

For details pertaining to capacity/ facility creation, location of plant refers section *“Business Overview”* on page 104 of this Prospectus.

**Details of launch of key products, entry in new geographies or exit from existing markets**

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled *“Business Overview”* on page 104 of this Prospectus

**Changes in the Management:**

For details of change in Management, please see chapter titled *“Our Management”* on page 132 of the Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company:**

There are no agreements entered into by key managerial personnel or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

**Shareholders Agreements:**

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Prospectus.

**Collaboration Agreements:**

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

**Other Material Agreement:**

Our Company has not entered into any other subsisting material agreements other than in the ordinary course of business of our Company, as on the date of this Prospectus.

**Strategic or Financial Partners:**

Except as disclosed in this Prospectus, Our Company does not have any strategic or financial partners as on the date of this Prospectus.

**Time and Cost Overruns in Setting up Projects:**

There has been no time/ cost overrun in setting up projects by our Company.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks:**

There have been no defaults or rescheduling of borrowings with any financial institutions/ banks as on the date of the 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 Prospectus.

**ii. Joint Venture Agreement:**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Prospectus

## OUR MANAGEMENT

### Board of Directors:

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Prospectus:

Name, Designation, DIN, Date of Birth Age, Address, Occupation, Qualification, Current Term, Date of Appointment	Other Directorships
<p><b>Dr. Pravinchandra Jasmat Vasolia</b></p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Age:</b> 57 years</p> <p><b>Date of Birth:</b> June 26, 1966</p> <p><b>Address:</b> A-1202 Altius vibe, Opp.ambli BRTS, Ambli Road, Ahmedabad, Gujarat - 380058</p> <p><b>Experience:</b> 32 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Ph.D in law, LLM, B.com</p> <p><b>Current Term:</b> For a period of 5 years, w.e.f August 29, 2022 liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f. November 02, 2018</p> <p><b>DIN:</b> 02896534</p>	<p><b>Companies:</b></p> <p>1. Hindparagon Polyresins Private Limited</p>
<p><b>Kishorkumar Panchabhai Patolia</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Age:</b> 54 years</p> <p><b>Date of Birth:</b> June 01, 1969</p> <p><b>Address:</b> Plot-353, Satyagrah Chhavni Soc, Lane 18, Jodhpur Tekra, Ahmedabad, Gujarat - 380015</p> <p><b>Experience:</b> 30 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Master of Science in pathology and Microbiology</p> <p><b>Current Term:</b> For a period of 5 years, w.e.f August 29, 2022 liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f. November 02, 2018</p> <p><b>DIN:</b> 00320207</p>	<p><b>Companies:</b></p> <p>1. Hindparagon Polyresins Private Limited</p>
<p><b>Vallabh Ratanji Savaliya</b></p>	<p><b>Companies:</b></p>

Name, Designation, DIN, Date of Birth Age, Address, Occupation, Qualification, Current Term, Date of Appointment	Other Directorships
<p><b>Designation:</b> Whole Time Director</p> <p><b>Age:</b> 60 years</p> <p><b>Date of Birth:</b> May 31, 1963</p> <p><b>Address:</b> B-1302 Shaligram Plush, B/H Sindhubhavan, Opp. Avlon Hotel, Thaltej, Daskroi, Ahmedabad, Gujarat- 380059</p> <p><b>Experience:</b> 35 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> B.E in Chemical Engineering</p> <p><b>Current Term:</b> For a period of 5 years, w.e.f August 29, 2022, liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f. November 02, 2018</p> <p><b>DIN:</b> 00155542</p>	<p>Nil</p>
<p><b>Rutesh Vallabhbhai Savalia</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Age:</b> 32 years</p> <p><b>Date of Birth:</b> August 16, 1991</p> <p><b>Address:</b> B-1302, Shaligram Plush, B/H Sindhubhavan opp. Avlon Hotel, Thaltej, Ahmedabad, Gujarat-380059</p> <p><b>Experience:</b> 4 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Master in Science in chemistry, PGDMA in Marketing</p> <p><b>Current Term:</b> For a period of 3 years, w.e.f. July 19, 2023, liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f. July 14, 2023</p> <p><b>DIN:</b> 08533056</p>	<p><b>Companies:</b> 1.Natrus Lifesciences Private Limited</p> <p><b>LLP:</b> Riseworth Venture LLP</p>
<p><b>Shivam Kishorbhai Patolia</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Age:</b> 24 years</p> <p><b>Date of Birth:</b> July 31, 1999</p>	<p><b>LLP:</b> Antelope enterprise LLP</p>



Name, Designation, DIN, Date of Birth Age, Address, Occupation, Qualification, Current Term, Date of Appointment	Other Directorships
<p><b>Address:</b> Bungalow No. 353 Satyagraha Chhavni Society, Lane No. 18, Jodhpur Tekra, Satellite, Ahmedabad City, Gujarat- 380015</p> <p><b>Experience:</b> 1 year</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Master of Science in Investment &amp; Wealth Management</p> <p><b>Current Term:</b> For a period of 3 years, w.e.f. July 19, 2023, liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f. July 14, 2023</p> <p><b>DIN:</b> 10030825</p>	
<p><b>Dr. Soumitra Sachipati Banerjee</b></p> <p><b>Designation:</b> Non- Executive Director</p> <p><b>Age:</b> 62 years</p> <p><b>Date of Birth:</b> January 26, 1961</p> <p><b>Address:</b> B- 904, Prayag Residency Bodakdev Behind Grand Bhagwati Hotel, Ahmedabad City, Manekbag, Gujarat-380015</p> <p><b>Experience:</b> 30 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> Ph. D, MBA</p> <p><b>Current Term:</b> w.e.f August 29, 2022, liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f. August 27, 2022</p> <p><b>DIN:</b> 02796216</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Enviro Infrastructure Company Limited</li> </ol> <p><b>LLP:</b></p> <ol style="list-style-type: none"> <li>1. Antelope Enterprise LLP</li> </ol>
<p><b>Jasmin Jasmatbhai Patel</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 44 years</p> <p><b>Date of Birth:</b> May 16, 1979</p> <p><b>Address:</b> 19, Keshav Residency, Near Astha Residency, 150 feet ring road, Rajkot, Gujarat-360004</p> <p><b>Experience:</b> 17 years</p> <p><b>Occupation:</b> Professional</p>	<p><b>Companies:</b></p> <ol style="list-style-type: none"> <li>1. Elan Protek Systems Private Limited</li> </ol>

Name, Designation, DIN, Date of Birth Age, Address, Occupation, Qualification, Current Term, Date of Appointment	Other Directorships
<p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> For a period of 5 years, w.e.f. June 26, 2023, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f June 26, 2023</p> <p><b>DIN:</b> 03030002</p>	
<p><b>Insiya Qaidjohar Nalawala</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 27 years</p> <p><b>Date of Birth:</b> June 07, 1996</p> <p><b>Address:</b> A-103, Burhani Park, Near Canal Road, B/S Navana Pumping Station, Narol, Ahmedabad, Gujarat-382405</p> <p><b>Experience:</b> 3 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> Company Secretary, LLB, B.com</p> <p><b>Current Term:</b> For a period of 5 years w.e.f July 14, 2023, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f July 14, 2023</p> <p><b>DIN:</b> 08436102</p>	<p><b>Companies:</b> 1.Bhatia Colour Chem Limited</p>
<p><b>Kishankumar Dhirajlal Tilva</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 30 years</p> <p><b>Date of Birth:</b> January 11, 1993</p> <p><b>Address:</b> A-43, New York Trade Centre, Thaltej Char Rasta, Thaltej, Ahmedabad, Gujarat-380059</p> <p><b>Experience:</b> 4 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> Chartered Accountant</p> <p><b>Current Term:</b> For a period of 5 years w.e.f July 14, 2023, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> w.e.f July 14, 2023</p> <p><b>DIN:</b> 09720108</p>	<p><b>Nil</b></p>

## Brief Profile of Directors:

1. **Dr. Pravinchandra Jasmat Vasolia** aged 57 years is the Managing Director and promoter of our Company. He has been on the Board of Directors since incorporation. He has completed Ph. D in law in the year 2009 from Saurashtra University. He has completed LLM in the year 2002 from Saurashtra University and has also completed B.com in the year 1986 from N.P Arts and Commerce College, Saurashtra University and has an overall experience of around 32 years in the chemical industry and in the field of finance and law. He looks after the legal and financial activities of the company and played a significant role in the growth of the company.
2. **Kishorkumar Panchabhai Patolia** aged 54 years is the Whole Time Director and promoter of our Company. He has been associated with our company since incorporation. He has completed master of science in Pathology and Microbiology in the year 1995 from M.P Shah Medical College. He has an experience of around 30 years and has gained technical expertise in the field of chemistry and pathology, marketing and management. Currently he looks after marketing activities of the company. He is also appointed member of Central Advisory Board of Specialty Chemicals World Expo 2024.
3. **Vallabh Ratanji Savalia** aged 60 years is the Whole Time Director and promoter of our Company. He has been on the Board of Directors since incorporation. He has completed B.E in Chemical Engineering in the year 1987 from Bangalore University. He has a work experience of around 35 years in the chemical industry. He looks after production, planning and procurement activities of the company.
4. **Rutesh Vallabhbhai Savalia** aged 32 years is the Whole Time Director and promoter of our Company. He has completed Master of Science in chemistry in the year 2014 from Indian School of Mines, Dhanbad. He has also completed Post Graduate diploma in marketing in the year 2021 from NMIMS University. He is pursuing Ph.D. in Organic Chemistry from Institute of Chemical Technology formerly UDCT, Mumbai. He has a work experience of around 5 years in the field of marketing and research and development in chemistry. He looks after Business Development and R&D activities of the company.
5. **Shivam Kishorbhai Patolia** aged 24 years is the Whole Time Director and promoter of our Company. He holds the degree Master of Science with merit in Investment and Wealth Management in the year 2022 from Imperial College of Science, Technology and Medicine, London. He has an experience of around 1 year in engineering. He looks after manufacturing activities of the company.
6. **Dr. Soumitra Sachipati Bannerjee** aged 62 years is the Non- Executive Director of our Company. He has completed Ph. D from University of Texas in Austin, USA. He also holds MBA degree from IIM, Ahmedabad. He has an experience of 30 years in the field of Life sciences, Speciality Chemicals and Medical Devices.
7. **Jasmin Jasmatbhai Patel** aged 44 years is the Independent Director of our Company. He is a member of The Institute of Chartered Accountants of India since 2005. He has an experience of around 17 years in management consultancy and business development.
8. **Insiya Qaidjohar Nalawala** aged 27 years is the Independent Director of our Company. She is a member of The Institute of Company Secretaries of India since 2019 and holds the certificate of practice from year 2020. She has completed graduation in law in the year 2019 from Gujarat University and commerce in the year 2017 from Gujarat University. She has an experience of 3 years in providing consultation in the field of secretarial compliances.
9. **Kishankumar Dhirajlal Tilva** aged 30 years is the Independent Director of our Company. He is a member of The Institute of Chartered Accountants of India since 2019. He has an experience of 4 years in the field of finance and accounts.

## Confirmations:

As on the date of this Prospectus:

- a) None of our Directors is or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- b) None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- c) None of our Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d) None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

**Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)**

The following Directors and KMPs of the Company are related to each other within the meaning of Section 2(77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMP	Relationship with other Directors/KMPs
1	Kishorkumar Panchabhai Patolia	Father of Shivam Kishorbhai Patolia
2	Vallabh Ratanji Savaliya	Father of Rutesh Vallabhbhai Savalia
3	Rutesh Vallabhbhai Savalia	Son of Vallabh Ratanji Savaliya
4	Shivam Kishorbhai Patolia	Son of Kishorkumar Panchabhai Patolia

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

**Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Details of Borrowing Powers of Directors:**

Pursuant to a special resolution passed at an Extraordinary General Meeting of our Company held on July 19, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have been authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained/ to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 100.00 (Rupees Hundred Crore Only).

**Compensation of our Managing Director and Whole Time Director**

The compensation payable to our Managing Director and Whole Time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V thereto and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956 for the time being in force).

**The following compensation has been approved for:**

(a) **Managing Director and Whole Time Director:**

Particulars	Dr. Pravinchandra Jasmat Vasolia	Kishorkumar Panchabhai Patolia	Vallabh Ratanji Savaliya	Rutesh Vallabhbbhai Savalia	Shivam Kishorbhai Patolia
Appointment/ Change in Designation	Originally Appointed as Executive Director w.e.f. November 02, 2018 and redesignated as Managing Director w.e.f August 29, 2022.	Originally Appointed as Executive Director w.e.f. November 02, 2018 and redesignated as Whole-Time Director w.e.f August 29, 2022.	Originally Appointed as Executive Director w.e.f. November 02, 2018 and redesignated as Whole-Time Director w.e.f August 29, 2022.	Originally Appointed as Additional Director w.e.f. July 14, 2023 and redesignated as Whole-Time Director w.e.f July 19, 2023.	Originally Appointed as Additional Director w.e.f. July 14, 2023 and redesignated as Whole-Time Director w.e.f July 19, 2023.
Current Designation	Chairman and Managing Director	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director
Terms of Appointment	5 years	5 years	5 years	3 years	3 years
Remuneration	₹ 10 lakhs per month	₹ 10 lakhs per month	₹ 10 lakhs per month	₹ 1.61 lakhs per month	₹ 0.25 lakhs per month
Compensation paid in FY 22-23	₹ 60 lakhs	₹ 60 lakhs	₹ 60 lakhs	₹ 17.86 lakhs	Nil

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

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

**Sitting Fees:**

The Articles of Association of our Company provides for the payment of sitting fees to the Directors (other than Managing Director & Whole-time Directors), not exceeding ₹ 1.00 Lakhs, as may be fixed by the Board of Directors from time to time, for attending a meeting of the Board and Committees thereof. Our Board of Directors have resolved at their meeting held on July 14, 2023 to pay ₹ 10,000 as sitting fees to all the Non-executive Directors (including Independent Director) for every meeting of the Board of Directors or Committee meeting attended by them.

**Shareholding of our Directors as on the date of this Prospectus:**

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Dr. Pravinchandra Jasmat Vasolia	48,96,000	34.00
2.	Kishorkumar Panchabhai Patolia	31,20,000	21.67
3.	Vallabh Ratanji Savaliya	23,04,000	16.00
4.	Rutesh Vallabhbbhai Savalia	11,52,000	8.00
5.	Shivam Kishorbhai Patolia	12,00,000	8.33
	<b>Total</b>	<b>1,26,72,000</b>	<b>88.00</b>

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Prospectus.*

As on the date of the filing of this Prospectus, we do not have any Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013

Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.

## INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 132 of this Prospectus.

Our directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as Directors/ Members/ Partners. Further, our directors may have extended personal guarantees in respect of financial facilities availed by the company and for the details of Personal Guarantee given by our directors please refer to **“Statement of Financial Indebtedness”** on page 197 of this Prospectus.

Except as stated otherwise in this Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company –Note - Z - Related Party Disclosure”** beginning on page 132 and 188 respectively of this Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

### Interest in the property of Our Company:

Our directors do not have any interest in any property acquired by our Company during the period of two years before filing of this Prospectus or proposed to be acquired by us as on date of this Prospectus.

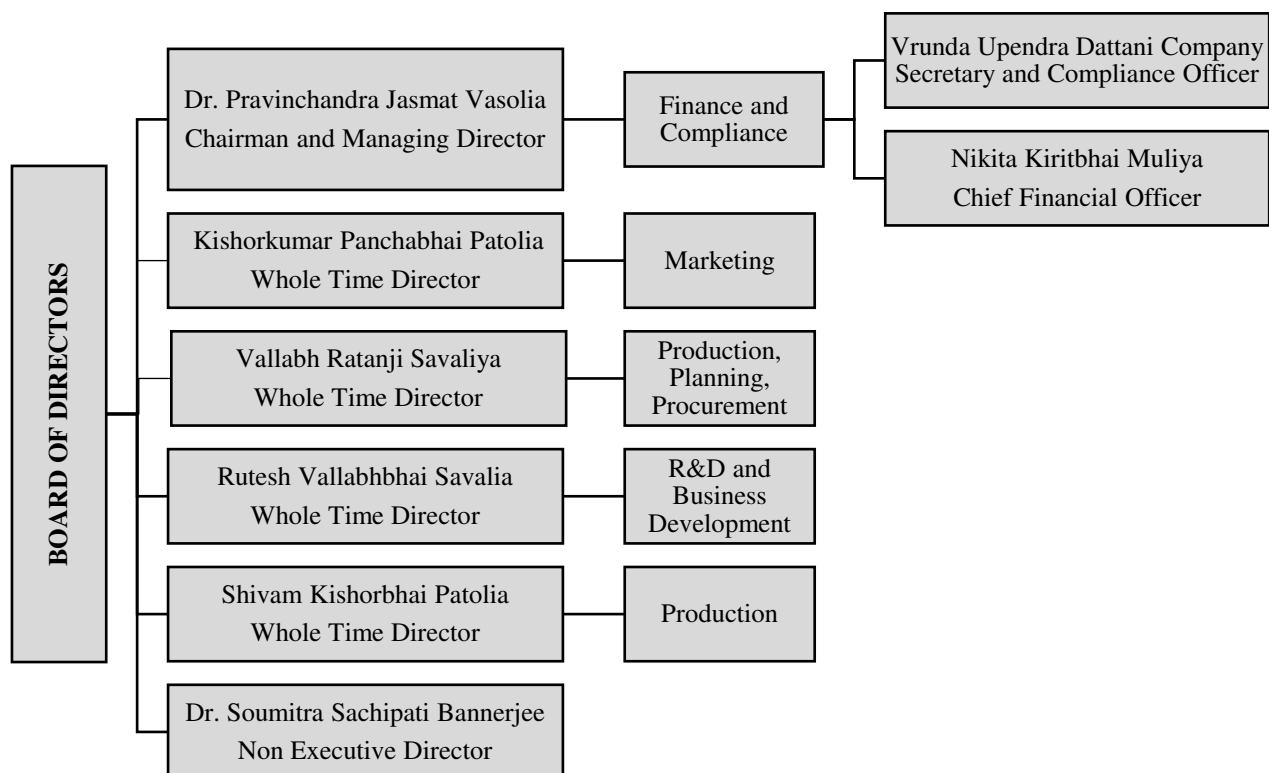
### Changes in Board of Directors in Last 3 Years:

S. No.	Name of Directors	Date of Event	Nature of Event	Reasons for Change
1	Dr. Pravinchandra Jasmat Vasolia	August 29, 2022	Redesignated as Managing Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
2	Kishorkumar Panchabhai Patolia	August 29, 2022	Redesignated as Whole Time Director	
3	Vallabh Ratanji Savaliya	August 29, 2022	Redesignated as Whole Time Director	
4	Rutesh Vallabhbbhai Savalia	July 19, 2023	Appointed as Whole Time Director	
5	Shivam Kishorbhai Patolia	July 19, 2023	Appointed as Whole Time Director	
6	Dr. Soumitra Sachipati Bannerjee*	August 27, 2022	Appointed as Non- Executive Director	
7	Kishankumar Dhirajlal Tilva*	August 27, 2022	Appointed as Independent Director	
8	Ziral Pankajkumar Soni*	August 27, 2022	Appointed as Independent Director	
10	Ziral Pankajkumar Soni	September 28, 2022	Cessation	Due to unavoidable circumstances
11	Kishankumar Dhirajlal Tilva	November 03, 2022	Cessation	
11	Jasmin Jasmatbhai Patel	June 26, 2023	Appointed as Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
12	Insiya Qaidjohar Nalawala	July 14, 2023	Appointed as Independent Director	
13	Kishankumar Dhirajlal Tilva	July 14, 2023	Appointed as Independent Director	

\* Dr. Soumitra Sachipati Bannerjee, Kishankumar Dhirajlal Tilva and Ziral Pankajkumar Soni were regularised in the meeting of shareholders of our Company held on August 29, 2022

## MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company’s Equity Shares on Stock Exchanges. The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committees and Corporate Social Responsibility Committee have been complied with. Our Board undertakes to take all necessary steps to continue to comply with all the requirements of Listing Regulations and the Companies Act, 2013.

Our Board has been constituted in compliance with the Companies Act, 2013 and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Nine (9) Directors of which three (3) are Independent Directors including one (1) women director on the Board. The constitution of our Board is in compliance with the provisions of section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company at its Board Meeting held on August 09, 2023 has approved the constitution of an Audit Committee (“*Audit Committee*”) in compliance with the provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the companies (Meeting of board and its power) rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Jasmin Jasmatbhai Patel	Chairman	Independent Director
Insiya Qaidjohar Nalawala	Member	Independent Director
Dr. Pravinchandra Jasmat Vasolia	Member	Managing Director

The Company Secretary of the Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of the Company to furnish clarifications to the shareholders on any matter relating to accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure of the Committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of two Independent Directors at each meeting.

**C. Power of the Committee:**

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

**D. Role of the Committee:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

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

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2) Recommending to the Board for the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
- 3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4) Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
- 5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications and modified opinions in the draft audit report.
- 6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;



- 7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
- 8) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- 13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15) Discussing with internal auditors on any significant findings and follow up thereon;
- 16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19) Reviewing the functioning of the whistle blower mechanism;
- 20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- 21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- 22) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- 23) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law; and
- 24) Carrying out any other functions as is mentioned in the terms of reference of the audit committee or containing into SEBI (LODR) Regulations 2015.

Further, the Audit Committee shall mandatorily review the following information:

- 1) Management's discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses;
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 6) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Nomination and Remuneration Committee

Our Company at its Board Meeting held on August 09, 2023 has approved the constitution of Nomination and Remuneration Committee in compliance with the provisions of Section 178, Schedule V and all other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and Regulation 19 SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Kishankumar Dhirajlal Tilva	Chairman	Independent Director
Jasmin Jasmatbhai Patel	Member	Independent Director
Soumitra Sachipati Banerjee	Member	Non- Executive Director

The Company Secretary of the Company shall act as a Secretary to the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration. The scope and function of the Committee and its terms of reference shall include the following:

### A. Tenure of the Committee:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

### B. Meetings of the Committee:

The committee shall meet as and when the need arises, subject to at least one meeting in a year. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is greater, including at least one independent director in attendance.

### C. Scope and terms of reference:

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

- 1) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
- 3) formulation of criteria for evaluation of the performance of independent directors and the Board;
- 4) devising a policy on diversity of our Board;
- 5) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
- 6) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 7) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;
- 8) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- 9) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- 10) performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

- 11) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- 12) analyzing, monitoring and reviewing various human resource and compensation matters;
- 13) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 14) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a. The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b. The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- 15) Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

### 3. Stakeholders Relationship Committee

Our Company at its Board Meeting held on August 09, 2023 has approved the constitution of the Stakeholders Relationship Committee in compliance with the provisions of the Section 178(5) and all other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Soumitra Sachipati Banerjee	Chairman	Non Executive Director
Rutesh Vallabhbai Savalia	Member	Whole Time Director
Kishankumar Dhirajlal Tilva	Member	Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholder Relationship Committee. The scope and function of the Stakeholder Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder Relationship Committee shall meet at least once in a year, and shall report to the Board on a quarterly basis regarding the status of re-dressal of the complaints received from the shareholders of the Company. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.
- C. Scope and terms of reference:** The terms of reference of the Stakeholders Relationship Committee as per Regulation 20 and Part D of Schedule II of SEBI Listing Regulations, 2015 and Companies Act, 2013 shall be as under:
  1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
  2. Review of measures taken for effective exercise of voting rights by shareholders;
  3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
  4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;

5. Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized;
6. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
7. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company.;
8. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/ dividend warrants, non-receipt of annual report and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties;
9. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them;
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time;
11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting; and
12. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

#### **4. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of our Board is reconstituted by the meeting of our Board on August 09, 2023. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The constitution of the Corporate Social Responsibility Committee is as follows:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Kishankumar Dhirajlal Tilva	Chairman	Independent Director
Vallabh Ratanji Savaliya	Member	Whole Time Director
Dr. Pravinchandra Jasmat Vasolia	Member	Managing Director

The Company Secretary shall act as the secretary to the Committee. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
3. To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken by the Company from time to time;
4. To Monitor the Corporate Social Responsibility policy of the Company from time to time; and
5. Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

**Policy on Disclosures & Internal procedure for prevention of Insider Trading:**

The provisions of Regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted in Board meeting held on July 14, 2023 the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct for Prevention of Insider Trading conduct under the overall supervision of the Board.

**KEY MANAGERIAL PERSONNEL**

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation & Educational Qualification	Age	Year/ period of joining	Compensation paid for F.Y. ended 2022-23 (₹ in Lakhs)	Overall experience	Previous employment
<b>Dr. Pravinchandra Jasmat Vasolia</b> <b>Designation:</b> Chairman and Managing Director <b>Educational Qualification:</b> Ph. D in law, LL.M and B.com <b>Term of office:</b> 5 Years	57 years	2018	60.00	32 years	NA
<b>Kishorkumar Panchabhai Patolia</b> <b>Designation:</b> Whole Time Director <b>Educational Qualification:</b> Master of Science in Pathology and Microbiology <b>Term of office:</b> 5 Years	54 years	2018	60.00	25 years	Pathology Lab
<b>Vallabh Ratanji Savaliya</b> <b>Designation:</b> Whole Time Director <b>Educational Qualification</b> – B.E. in Chemical Engineering	60 years	2018	60.00	35 years	Partner in Oriental Gums & Biopolymers
<b>Rutesh Vallabhbhai Savalia*</b> <b>Designation:</b> Whole Time Director <b>Educational Qualification</b> –Master in Science in chemistry, PGDMA in marketing	32 years	2023	17.86	4 years	Prolife Industries Limited
<b>Shivam Kishorbhai Patolia</b> <b>Designation:</b> Whole Time Director <b>Educational Qualification</b> – Master of Science in Investment & Wealth Management	24 years	2023	Nil	1 year	Lab Technician for bio-Engineering professor working on automated synthetic IV catheters
<b>Nikita Kiritbhai Muliya**</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification</b> – C.A., M.com	30 years	2021	4.8	2 years	Nil
<b>Vrunda Upendra Dattani</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification</b> – C.S and B.Com	24 years	2023	Nil	No Prior experience	Nil

\* Rutesh Vallabhbhai Savalia had joined the company in year 2021 as focusing in Business Development activities and was later appointed as Whole-Time director vide Extra- Ordinary General meeting dated July 19, 2023.

\*\* Nikita Kiritbhai Muliya had joined the company in year 2021 and was looking after accounts and finance activities of the company and was later appointed as Chief Financial Officer vide Board meeting dated August 27, 2022.

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Dr. Pravinchandra Jasmat Vasolia**- Please refer to section “**Brief Profile of our Directors**” beginning on page 132 of this Prospectus for details.

**Kishorkumar Panchabhai Patolia** - Please refer to section “**Brief Profile of our Directors**” beginning on page 132 of this Prospectus for details.

**Vallabh Ratanji Savaliya**- Please refer to section “**Brief Profile of our Directors**” beginning on page 132 of this Prospectus for details.

**Rutesh Vallabhbhai Savalia**- Please refer to section “**Brief Profile of our Directors**” beginning on page 132 of this Prospectus for details.

**Shivam Kishorbhai Patolia**- Please refer to section “**Brief Profile of our Directors**” beginning on page 132 of this Prospectus for details.

**Nikita Kiritbhai Muliya** is the Chief Financial Officer of our company. She is a qualified Chartered Accountant and has an experience of 2 years. She is currently responsible for finance and taxation matters of the company.

**Vrunda Upendra Dattani** is the Company Secretary and Compliance Officer of our Company. She is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India from June 05, 2023. She is currently responsible for the overall Corporate Governance and secretarial Compliance of our Company.

### We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above-mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya, Rutesh Vallabhbhai Savalia and Shivam Kishorbhai Patolia are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the financial year ended March 31, 2023 and for the stub period ended June 30, 2023.
- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/ profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel hold any shares of our Company as on the date of filing of this Prospectus except as under:

Sr. No.	Name of the KMP's	No. of Shares held	Holding in %
1	Dr. Pravinchandra Jasmat Vasolia	48,96,000	34.00
2	Kishorkumar Panchabhai Patolia	31,20,000	21.67
3	Vallabh Ratanji Savaliya	23,04,000	16.00
4	Rutesh Vallabhbhai Savalia	11,52,000	8.00
5	Shivam Kishorbhai Patolia	12,00,000	8.33
		<b>1,26,72,000</b>	<b>88.00</b>

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

Except as disclosed in this Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/ rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards the Provident fund, Gratuity fund and Employee State Insurance

### Changes in the Key Managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name of Directors/ KMP's	Designation and period	Appointment/ Cessation/ Re-designation	Reasons
1.	Dr. Pravinchandra Jasmat Vasolia	Redesignated as Managing Director w.e.f. August 29, 2022	Re-designation	To comply with the provisions of the Companies Act 2013 and to ensure better Corporate Governance
2.	Kishorkumar Panchabhai Patolia	Redesignated as Whole Time Director w.e.f. August 29, 2022	Re-designation	
3.	Vallabh Ratanji Savaliya	Redesignated as Whole Time Director w.e.f. August 29, 2022	Re-designation	
4.	Anshit Girishkumar Acharya	Appointed as Company Secretary w.e.f. August 29, 2022	Appointment	Due to unavoidable circumstances
5.	Anshit Girishkumar Acharya	Resigned as Company Secretary w.e.f. November 03, 2022	Cessation	
6.	Rutesh Vallabhbbhai Savalia	Appointed as Additional Director w.e.f. July 14, 2023 and Redesignated as Whole-Time Director w.e.f. July 19, 2023	Appointment	To comply with the provisions of the Companies Act 2013 and to ensure better Corporate Governance
7.	Shivam Kishorbhai Patolia	Appointed as Additional Director w.e.f. July 14, 2023 and Redesignated as Whole-Time Director w.e.f. July 19, 2023	Appointment	
8.	Nikita Kiritbhai Muliya	Appointed as Chief Financial Officer w.e.f. August 27, 2022	Appointment	
9.	Vrunda Upendra Dattani	Appointed as Company Secretary and Compliance Officer w.e.f. August 09, 2023	Appointment	

### Interest of our Key Managerial Personnel

Apart to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company, none of our Key Managerial Personnel are interested in our Company. For details, please refer section titled *“Financial information of the Company – Note - Z - Related Party Disclosures”* beginning on page 188 of this Prospectus.

### Interest in the property of our Company

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

### Details of the Service Contracts of the Key Managerial Personnel

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### Loans given/ availed by Directors/ Key Managerial Personnel of our Company

For details of unsecured loan taken from or given to our Directors/ KMPs and for details of transaction entered by them in the past please refer to *“Note - Z – Related Party Disclosure”* page 188 of this Prospectus.

### Employee Stock Option Plan ('ESOP')/ employee stock purchase scheme ('ESPS Scheme') to Employees

Presently, we do not have any ESOP/ ESPS Scheme for our employees.

## OUR PROMOTERS & PROMOTER GROUP



### A. OUR PROMOTERS:

The Promoters of our Company are:




1. Dr. Pravinchandra Jasmat Vasolia
2. Kishorkumar Panchabhai Patolia
3. Vallabh Ratanji Savaliya
4. Rutesh Vallabhbhai Savalia
5. Shivam Kishorbhai Patolia

As on date of this Prospectus, our Promoters, in aggregate, hold 1,26,72,000 Equity shares of our Company, representing 88.00% of the pre-issue paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on page 56 of this Prospectus.

*Brief Profile of our Promoters are as under:*

	<p><b>Dr. Pravinchandra Jasmat Vasolia- Managing Director</b></p> <p>Dr. Pravinchandra Jasmat Vasolia, aged 57 years, is one of our Promoters and is also the Managing Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see "<i>Our Management –Brief profile of Directors</i>" on page 132</p> <p><b>Other ventures of our Promoters</b> – Except as disclosed below and set out in the chapter titled '<i>Our Management</i>', our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>His permanent account number is AAYPV5576A.</p> <p>For details of his shareholding, please see "<i>Capital Structure</i>" on page 56</p>
	<p><b>Kishorkumar Panchabhai Patolia- Whole Time Director</b></p> <p>Kishorkumar Panchabhai Patolia, aged 54 years, is one of our Promoters and is also the on our Board. For further details, i.e., her date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see "<i>Our Management –Brief profile of Directors</i>" on page 132</p> <p><b>Other ventures of our Promoters</b> - Except as disclosed below and as set out in the chapter titled '<i>Our Management</i>', our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>Her permanent account number is ADDPP7297G</p> <p>For details of his shareholding, please see "<i>Capital Structure</i>" on page 56</p>



	<p><b>Vallabh Ratanji Savaliya- Whole Time Director</b></p> <p>Vallabh Ratanji Savaliya, aged 60 years, is one of our Promoters and is also the Whole Time Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see <i>“Our Management –Brief profile of Directors”</i> on page 132</p> <p><b>Other ventures of our Promoters</b> – Except as disclosed below and as set out in the chapter titled <i>‘Our Management’</i>, our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p><b>Partnership Firms:</b></p> <ul style="list-style-type: none"> <li>➤ M/s. Oriental Gums and Biopolymers</li> </ul> <p>His permanent account number is ADIPS2108N</p> <p>For details of his shareholding, please see <i>“Capital Structure”</i> on page 56</p>
	<p><b>Rutesh Vallabhbhai Savalia- Whole Time Director</b></p> <p>Rutesh Vallabhbhai Savalia, aged 32 years, is one of our Promoters and is also the Whole Time Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see <i>“Our Management –Brief profile of Directors”</i> on page 132</p> <p><b>Other ventures of our Promoters</b> – Except as disclosed below and as set out in the chapter titled <i>‘Our Management’</i>, our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>His permanent account number is DHYPS0848L</p> <p>For details of his shareholding, please see <i>“Capital Structure”</i> on page 56</p>
	<p><b>Shivam Kishorbhai Patolia- Whole Time Director</b></p> <p>Shivam Kishorbhai Patolia, aged 24 years, is one of our Promoters and is also the Whole Time Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see <i>“Our Management –Brief profile of Directors”</i> on page 132</p> <p><b>Other ventures of our Promoters</b> – Except as disclosed below and as set out in the chapter titled <i>‘Our Management’</i>, our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>His permanent account number is DBKPP1207C</p> <p>For details of his shareholding, please see <i>“Capital Structure”</i> on page 56</p>

### **Confirmations/ Declarations:**

In relation to our Promoters, our Company confirms that the PAN, Bank Account Numbers, Passport Number, Aadhaar Card Number and Driving License number shall be submitted to NSE at the time of filing of this Prospectus.

### **Undertaking/ Confirmations:**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.
- There are no defaults in respect of payment of interest and principal to the debenture/ bond/ fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 213 of this Prospectus.
- None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

### **Interest of our Promoters:**

#### *i. Interest in promotion and shareholding of our Company:*

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Prospectus, our Promoters, Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya Rutesh Vallabhbhai Savalia and Shivam Kishorbhai Patolia, collectively holds 1,26,72,000 Equity Shares in our Company i.e. 88.00% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan advanced to/ taken from them, if any. For details, please refer to *Note – Z- “Related Party Transactions”* beginning on page 188 of this Prospectus.

For details regarding the shareholding of our Promoters in our Company, please see “*Capital Structure*” on page 56 of this Prospectus.

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

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of this Prospectus.

#### *iii. In transactions for acquisition of land, construction of building and supply of machinery*

None of our Promoters or Directors are interested in any transaction for the acquisition of land, construction of building or supply of machinery.

**iv. Other Interests in our Company**

For transactions in respect of loans and other monetary transactions entered in past please refer *Note – Z* on “*Related Party Transactions*” on page 188 forming part of “*Financial Information of the Company*” of this Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “*Statement of Financial Indebtedness*” and “*Financial Information of Our Company*” on page 197 and 157 respectively of this Prospectus.

**Payment or Benefits to our Promoters and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and promoter group, please refer to the paragraph “*Compensation of our Managing Director and Whole Time Director*” in the chapter titled “*Our Management*” beginning on page 132 also refer *Note Z* on “*Related Party Transactions*” on page 188 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoters*” in chapter titled “*Our Promoters and Promoter Group*” on page 149 of this Prospectus.

**Companies/ Firms with which our Promoters have disassociated in the last (3) three years:**

Except as mentioned below, our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Prospectus.

S. No.	Name of Promoter	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances of disassociation	Date of Disassociation
1	Vallabh Ratanji Savaliya	Hindparagon Polysresins Private Limited	Resigned due to pre-occupation	January 06, 2022
2	Rutesh Vallabhbhai Savalia	Synstar Chemicals LLP	Resigned due to pre-occupation	September 02, 2022

**Other ventures of our Promoters:**

Save and except as disclosed in this section titled “*Our Promoters & Promoter Group*” beginning on page 149 of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Defunct / Strike-off Company:**

Our Promoters, Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia and Vallabh Ratanji Savaliya, were associated with Papillion Impex Private Limited, that was struck off with ROC w.e.f October 26, 2021.

**Litigation details pertaining to our Promoters:**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 213 of this Prospectus.

**Material Guarantees:**

Except as stated in the “*Statement of financial indebtedness*” and “*Restated financial information*” of the company beginning on page 197 and 157 of this Prospectus respectively, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Prospectus.

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

Our Promoters, Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia, Vallabh Ratanji Savaliya, have an overall experience of more than three decades and Rutesh Vallabhbhai Savalia and Shivam Kishorbhai Patolia have an

overall experience of 4 years and 1 years respectively The Company shall also endeavor to ensure that relevant expertise is sought as and when required in the future.

**Related Party Transactions:**

Except as stated in “*Note - Z Related Party Transactions*” beginning on page 188 of this Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

**B. OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

- (a) **Natural persons i.e., an immediate relative of the promoters (i.e., any spouse of that person, or any parent, brother, sister or child of the person or of the spouse);**

As per Regulation 2(1) (pp) (ii) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship	Name of the Relatives				
	Pravinchandra Jasmat Vasolia	Kishorkumar Panchabhai Patolia	Vallabh Ratanji Savaliya	Rutesh Vallabhbhai Savalia	Shivam Kishorbhai Patolia
Father	Lt. Jasmat Bhai Vasolia	Lt. Panchabhai Hira Bhai Patolia	Lt. Ratnabhai Ladhambhai Savalia	Vallabh Ratanji Savaliya	Kishorkumar Panchabhai Patolia
Mother	Maniben Vasolia	Patolia Sakarben Pancha Bhai	Lt. Sonaben Ratnabhai Savalia	Savaliya Hansaben Vallabh Bhai	Priydarshna Kishorkumar Patolia
Spouse	Nitaben Pravinbhai Vasolia	Priydarshna Kishorkumar Patolia	Savaliya Hansaben Vallabh Bhai	Fena Rutesh Savalia	-
Brother	-	Dr.Harshukh Bhai Patolia Pravinbhai Panchabhai Patolia	Manubhai R. Savaliya Rameshbhai R. Savaliya	Zankar Vallabhbhai Savalia	-
Sister	-	Meeta D. Rakholia	Muktaben B. Patolia	-	Bansari Kishorbhai Patolia
Son	Sanket Pravinbhai Vasolia	Shivam Kishorkumar Patolia	Rutesh Vallabh Bhai Savalia Zankar Vallabhbhai Savalia	-	-
Daughter	Hemanshi Pravinbhai Vasolia	Bansari Kishorbhai Patolia	-	Kashvi Rutesh Savalia	-
Spouse's Father	Chhaganlal Mohanbhai Gajera	Vaju Bhai Lalji Bhai Vaghasia	Parbatbhai Punjabhai Mathukiya	MohanBhai sorathia	-
Spouse's Mother	Prabhaben Chhaganlal Gajera	Shardaben Vajubhai Vaghasia	Manjula Ben Parbatbhai Mathukiya	Shardaben Sorathia	-
Spouse's Brother	Nikunjbhai Chhaganlal Gajera Dharmendrakumar Gajera	Prashant Vajubhai Vaghasiya	Hareshbhai Parbatbhai Mathukiya	Sandip Sorthaia	-
Spouse's Sister	-	-	Shardaben Rameshbhai Rakholiya	-	-

**(b) Corporate Entities or Firms forming part of the Promoter Group:**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

<b>Sr. No.</b>	<b>Nature of Relationship</b>	<b>Name of Entities</b>
A.	Any Body Corporate in which 20% or more of the Equity Share Capital is held by Promoter or an immediate relative of the Promoter or a firm or Hindu Undivided Family (HUF) in which Promoter or any one or more of his immediate relatives are a member.	<ol style="list-style-type: none"><li>1. Hindparagon Polyresins Private Limited</li><li>2. Antelope Enterprise LLP</li><li>3. Pathon Fine Chem PTE Ltd.</li><li>4. Riseworth Venture LLP</li></ol>
B.	Any Body Corporate in which a body corporate as provided in (A) above holds twenty per cent or more, of the equity share capital.	
C.	Any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent of the total capital.	<p><b>HUF:</b></p> <ol style="list-style-type: none"><li>1.Kishor Patolia (HUF)</li><li>2.Pravin Vasolia (HUF)</li><li>3.Vallabh Ratnaji Savalia (HUF)</li></ol> <p><b>Partnership Firms:</b></p> <ol style="list-style-type: none"><li>1.Chemtech Dyes &amp; Intermediates</li><li>2.Oriental Gums And Biopolymers</li><li>3.Parabolic Industries</li><li>4.Parasonic Industries</li></ol>

## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not paid/ declared any dividend in last three years from date of this Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## SECTION VI – FINANCIAL INFORMATION OF THE COMPANY

### INDEPENDENT AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENT

**To,**  
**The Board of Directors,**  
**PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**  
(CIN: U24304GJ2018PLC105071)

**Dear Sir,**

1. We have examined the attached Restated Financial Statements of Paragon Fine and Speciality Chemical Limited, comprising the Restated Statement of Assets and Liabilities as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the years ended June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 14/10/2023 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (“Draft Offer Document/Offer Document”) prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares (“SME IPO”) prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “Act”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer Document/Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed SME IPO.

The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, K A R M A & CO. LLP, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and holds the peer review certificate dated 15th July, 2021 valid till 31st July, 2024. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
4. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 14th July, 2023 in connection with the proposed IPO of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and



- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended 30th June, 2023, 31st March 2023, 31st March 2022 and 31st March, 2021 which has been approved by the Board of Directors. The Audit of financial statements of the Company for the year ended June 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 was conducted by M/s Surana Maloo & Co. Accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
6. For the purpose of our examination, we have relied on:
  - a) Auditors' reports dated 05th October, 2023, 04th August, 2023, 12th September, 2022 and 15th November, 2021 respectively issued by M/s. Surana Maloo & Co., on the financial statements of the Company as at and for the period ended 30th June, 2023, 31st March 2023, 31st March 2022 and 31st March 2021 as referred in Paragraph 5 above;
7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information have been prepared:
  - a) after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any in the financial years/period ended June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
  - b) in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors on 14/10/2023 for the years/period ended June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.

Annexure V - Notes to the Restated Summary Financial Information;

- a) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;
- b) Restated Statement of Long Term Borrowings as appearing in Note B to this report;
- c) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(A) to this report;
- d) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
- e) Restated Statement of Long term liabilities as appearing in Note D to this report;
- f) Restated Statement of Short term borrowings as appearing in Note E to this report;
- g) Restated Statement of Trade Payables as appearing in Note F to this report;
- h) Restated Statement of Other Current Liabilities as appearing in Note G to this report;
- i) Restated Statement of Short Term Provisions as appearing in Note H to this report;
- j) Restated Statement of Fixed Assets as appearing in Note I to this report;
- k) Restated Statement of Non-Current Investment as appearing in Note J to this report;
- l) Restated Statement of Other Non-Current asset as appearing in Note K to this report;
- m) Restated Statement of Trade Receivables as appearing in Note L to this report;
- n) Restated Statement of Cash and Cash Equivalents as appearing in Note M to this report;
- o) Restated Statement of Inventories as appearing in Note N to this report;
- p) Restated Statement of Short Term Loans and Advances as appearing in Note O to this report;
- q) Restated Statement of Other Current Assets as appearing in Note P to this report;
- r) Restated Statement of Revenue from Operations as appearing in Note Q to this report;
- s) Restated Statement of Other Income as appearing in Note R to this report;
- t) Restated Statement of Raw Material Consumption as appearing in Note S to this report;
- u) Restated Statement of Change in Inventories as appearing in Note T to this report;

- v) Restated Statement of Employee Benefit Expenses as appearing in Note U to this report;
  - w) Restated Statement of Finance Cost as appearing in Note V to this report;
  - x) Restated Statement of Depreciation & Amortization as appearing in Note W to this report;
  - y) Restated Statement of Other Expenses as appearing in Note X to this report;
  - z) Restated Statement of Contingent Liabilities as appearing in Note Y to this report;
  - aa) Restated Statement of Related Party Transactions as appearing in Note Z to this report;
  - bb) Restated Statement of Tax Shelter as appearing in Note AA to this report;
  - cc) Capitalization Statement as appearing in Note AB to this report;
  - dd) Restated Statement of Mandatory Accounting Ratios as appearing in Note AC to this report;
  - ee) Restated Statement of Other Disclosures as per Schedule-III of the Companies Act, 2013 in Notes AD to this report
  - ff) Ratio Analysis as appearing in Note AE to this report
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Ahmedabad in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
12. In our opinion, the above financial information contained in Annexure I to Annexure V of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For, K A R M A & C O L L P**  
**Chartered Accountants**  
**Firm Reg No: 127544W/W100376**

**Sd/-**

**Jignesh A Dhaduk**  
**Designated partner**  
**Mem. No: 129149**  
**UDIN:23129149BGVLJD4535**

**Date: 14<sup>th</sup> October, 2023**  
**Place: Ahmedabad**

**ANNEXURE-I**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

**(Rs. in Lakhs)**

<b>PARTICULARS</b>		<b>NOTES</b>	<b>30-06-2023</b>	<b>31-03-23</b>	<b>31-03-22</b>	<b>31-03-21</b>
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>					
1.	Shareholders' Funds					
(a)	Share Capital	<b>A</b>	360.00	360.00	10.00	10.00
(b)	Reserves & Surplus	<b>A</b>	2,235.67	1,873.52	1,234.31	785.29
(c)	Share Application Money		-	-	-	-
			<b>2,595.67</b>	<b>2,233.52</b>	<b>1,244.31</b>	<b>795.29</b>
2.	Non Current Liabilities					
(a)	Long Term Borrowings	<b>B</b>	1,570.43	1,442.12	1,368.34	1,177.72
(b)	Deferred Tax Liabilities (Net)	<b>C</b>	29.02	27.54	20.90	10.58
(c)	Long term Liabilities	<b>D</b>	13.61	18.37	15.95	10.21
			<b>1,613.06</b>	<b>1,488.04</b>	<b>1,405.19</b>	<b>1,198.51</b>
3.	Current Liabilities					
(a)	Short Term Borrowings	<b>E</b>	1,139.24	1,078.91	699.82	1,015.28
(b)	Trade Payables	<b>F</b>				
	(A) outstanding dues of micro enterprises and small enterprises; and		-	114.68	593.17	541.00
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,434.22	1,599.83	1,469.55	933.28
(c)	Other Current Liabilities	<b>G</b>	301.46	311.81	329.05	404.86
(d)	Short Term Provisions	<b>H</b>	328.54	271.06	9.43	95.05
			<b>3,203.45</b>	<b>3,376.29</b>	<b>3,101.03</b>	<b>2,989.46</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,412.19</b>	<b>7,097.84</b>	<b>5,750.53</b>	<b>4,983.26</b>
<b>B)</b>	<b>ASSETS</b>					
1.	Non Current Assets					
(a)	Property, Plant and Equipment and Intangible assets	<b>I</b>				
	I)Property, Plant and Equipment					
	(i) Gross Block		1,523.12	1,439.38	1,378.70	1,080.46
	(ii) Depreciation		523.16	501.60	420.20	425.65
	(iii) Net Block		999.96	937.78	958.50	654.81
	II) Intangible Assets				-	-
	III) Capital Work-in-Progress				-	-
	IV) Intangible assets under development				-	-
(b)	Non-Current Investment	<b>J</b>	0.05	0.05	0.05	0.05
(c)	Deferred Tax Assets (Net)				-	-
(d)	Long Term Loans and Advances				-	-
(e)	Other Non Current Assets	<b>K</b>	55.70	51.70	51.41	30.29
			<b>1,055.70</b>	<b>989.53</b>	<b>1,009.97</b>	<b>685.15</b>
2.	Current Assets					
(a)	Trade Receivables	<b>L</b>	2,341.29	2,710.98	2,156.71	2,953.99
(b)	Cash and Cash equivalents	<b>M</b>	457.77	128.92	60.42	132.36
(c)	Inventories	<b>N</b>	2,707.55	2,225.56	1,266.36	140.47
(d)	Short-Term Loans and Advances	<b>O</b>	88.03	10.47	110.03	36.66
(e)	Other Current Assets	<b>P</b>	761.84	1,032.39	1,147.04	1,034.62
			<b>6,356.48</b>	<b>6,108.31</b>	<b>4,740.56</b>	<b>4,298.11</b>
	<b>TOTAL ASSETS</b>		<b>7,412.19</b>	<b>7,097.84</b>	<b>5,750.53</b>	<b>4,983.26</b>

**ANNEXURE – II**

**RESTATED STATEMENT OF PROFIT AND LOSS**

**(Rs. in Lakhs)**

<b>PARTICULARS</b>		<b>Note</b>	<b>30-06-2023</b>	<b>31-03-23</b>	<b>31-03-22</b>	<b>31-03-21</b>
1	Revenue From Operations	Q	2,878.86	10,226.62	8,282.94	8,325.55
2	Other Income	R	21.57	274.57	174.98	111.39
	Total Income (1+2)		2,900.43	10,501.19	8,457.92	8,436.94
3	Expenditure					
(a)	Cost of Material Consumed	S	1,883.64	7,447.96	6,211.95	5,759.18
(b)	Change in inventories of finished goods, work in progress and stock in trade	T	142.02	(222.93)	(653.94)	1.75
(c)	Employee Benefit Expenses	U	105.95	514.76	653.47	644.44
(d)	Finance Cost	V	38.96	118.22	75.14	70.42
(e)	Depreciation and Amortisation Expenses	W	21.56	82.79	69.99	60.36
(f)	Other Expenses	X	221.32	1,203.87	1,484.23	1,298.20
4	Total Expenditure 3(a) to 3(f)		2,413.45	9,144.67	7,840.85	7,834.34
5	Profit/(Loss) Before Exceptional & extraordinary items & Tax (2-4)		486.98	1,356.52	617.08	602.60
6	Exceptional and Extra-ordinary items		-	-	-	-
7	Profit/(Loss) Before Tax (5-6)		486.98	1,356.52	617.08	602.60
8	Tax Expense:					
(a)	Tax Expense for Current Year		121.09	360.95	157.74	160.13
(b)	Short/(Excess) Provision of Earlier Year		2.26	(0.28)	-	-
(c)	Deferred Tax		1.48	6.65	10.32	2.70
	Net Current Tax Expenses		124.82	367.32	168.06	162.83
9	Profit/(Loss) for the Year (7-8)		362.16	989.21	449.02	439.77
10	Basic Earning Per Share		2.51	6.87	3.12	3.05
11	Diluted Earning Per Share		2.51	6.87	3.12	3.05

**ANNEXURE III**

**RESTATED CASH FLOW STATEMENT**

**(Rs. in Lakhs)**

PARTICULARS	FOR THE YEAR/ PERIOD ENDED			
	30-06-2023	31-03-23	31-03-22	31-03-21
A) Cash Flow From Operating Activities:				
Net Profit before tax	486.98	1,356.52	617.08	602.60
Adjustment for :				
Depreciation and amortization	21.56	82.79	69.99	60.36
Interest Paid	38.96	118.22	75.14	70.42
Interest Income	(0.63)	(0.16)	(0.87)	(3.64)
Short/ Excess provision Written off				
Deferred Tax Liabilities (Net)				
(Profit)/Loss on sale of Car	-	(3.39)	(22.26)	3.39
Income Tax Provision				
<b>Operating profit before working capital changes</b>	<b>546.87</b>	<b>1,553.98</b>	<b>739.07</b>	<b>733.13</b>
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	369.69	(554.27)	797.28	(825.63)
(Increase)/Decrease in Inventory	(481.99)	(959.20)	(1,125.89)	42.59
(Increase)/Decrease in Short Term Loans & Advances	(77.57)	99.56	(73.37)	100.17
(Increase)/Decrease in Other Current Assets	270.55	114.66	(96.20)	(598.03)
Increase/(Decrease) in Trade Payables	(280.30)	(348.22)	588.45	(466.39)
Increase/(Decrease) in Other Current Liabilities	(10.35)	(17.25)	(143.91)	198.31
Increase/(Decrease) in Short Term Provisions, etc	(14.67)	5.71	6.79	(1.04)
Increase/(Decrease) in Long Term Liability	(4.76)	2.42	5.74	5.09
<b>Cash generated from operations</b>	<b>317.47</b>	<b>(102.60)</b>	<b>697.97</b>	<b>(811.80)</b>
Direct Taxes Paid	(51.19)	(104.75)	(173.97)	(105.75)
Net cash flow from operating activities	A	<b>266.28</b>	<b>(207.35)</b>	<b>524.00</b>
<b>B) Cash Flow From Investing Activities:</b>				
Purchase of Fixed Assets including of CWIP		(83.74)	(79.77)	(402.54)
Sale of Fixed Assets		(4.00)	21.10	51.12
(Purchase)/Sale of investments (Other non current Asset)		0.63	(0.28)	(21.12)
Dividend Income				
Interest Income			0.16	0.87
<b>Net cash flow from investing activities</b>	B	<b>(87.11)</b>	<b>(58.80)</b>	<b>(371.67)</b>
<b>C) Cash Flow From Financing Activities:</b>				
Proceeds from Issue of Share Capital				
Increase/(Decrease) in Short Term Borrowings		60.33	379.09	(339.76)
Increase/(Decrease) in Long Term Borrowings		128.31	73.78	190.62
Interest Paid		(38.96)	(118.22)	(75.14)
Share Money Pending Allotment				-
Adjustment in reserve and surplus				-
Net cash flow from financing activities	C	<b>149.68</b>	<b>334.65</b>	<b>(224.28)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	(A+B+C)	328.85	68.50	(71.94)
Cash equivalents at the begining of the year		128.92	60.42	132.36
<b>Cash equivalents at the end of the year</b>		<b>457.77</b>	<b>128.92</b>	<b>60.42</b>

**Notes:**

<b>1.</b>	<b>30-06-2023</b>	<b>31-03-23</b>	<b>31-03-22</b>	<b>31-03-21</b>
Component of Cash and Cash equivalents				
Cash on hand	5.49	2.80	1.25	1.03
Balance With banks	452.29	126.12	59.17	131.33
<b>Total</b>	<b>457.77</b>	<b>128.92</b>	<b>60.42</b>	<b>132.36</b>

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

## ANNEXURE – IV

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

#### CORPORATE INFORMATION

PARAGON FINE AND SPECIALITY CHEMICAL LIMITED (the “Company”) was incorporated on November 02, 2018 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Ahmedabad. The Company’s registered office is situated at 1001/1, Parshwa Tower, Nr. Pakvan Hotel, S.G. Highway, Bodakdev, Ahmedabad - 380054. The company is primarily involved in the manufacturing of chemicals intermediates.

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Restated Statement of Assets and Liabilities (Annexure I) of the company as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statements of Profit and Loss (Annexure II), the Restated Cash Flow Statement (Annexure III) for the financial year/period ended June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 (hereinafter collectively referred to as “Restated Financial Information”) have been extracted by the management from the audited financial statements for the June 30, 2023, March 31, 2023, 2022 and 2021, approved by the respective Board of Directors of the companies.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

##### B) USE OF ESTIMATES

The preparation of financial statements in conformity with Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Difference between the actual result and estimates are recognized in the period in which they are known/ materialized.

##### C) ACCOUNTING CONVENTION

The group follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

#### 1. REVENUE RECOGNITION

Revenue is recognized only when all the significant risks and rewards incident to ownership to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes Sales of Goods net of Goods and Services Tax, adjusted for discounts (net) and gain / Loss on corresponding hedged contracts.

Revenue/ Loss from bargain settlement of goods is recognized at the time of settlement of transactions.

Dividend income is recognized when the right to receive payment is established.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

All other income and Expenditure are recognized and accounted for on accrual basis.

## **2. PROPERTY, PLANT & EQUIPMENT'S (TANGIBLE FIXED ASSETS AND DEPRECIATION)**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value. only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Assets which are not ready for their intended use are disclosed under Capital Work-in- Progress and all the cost relating to such assets are shown under work-in-progress.

Identification of the components of Property, Plant & Equipment's as required under revised AS10 is under process.

### **DEPRECIATION:**

Depreciation on tangible fixed assets is provided on the written down value Method over the useful lives of assets as prescribed in the schedule II of the Companies Act, 2013. Depreciation for assets purchased sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a written down value, commencing from the date the asset is available to the Company for its use.

Depreciation and Amortization methods, useful lives and residual values are reviewed periodically, at each financial year end.

Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II.

## **3. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## **4. INVENTORIES**

Inventories are valued after providing for obsolescence, as follows:

a) Raw Materials, Stores & Spare parts and Packing Material - Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished



products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on Weighted Average Cost basis.

b) Work-in-Progress is valued at raw material cost plus proportionate conversion cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, however due to the nature of the company the own manufactured goods are valued at a Retail Method basis on a consistent basis, however the Trading Goods are valued at the lower of Cost or Net Realizable Value.

## **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

In the restated financial statements, The Company has made provision for payment of Gratuity to its employees, based on the actuarial valuation report obtained from actuarial Valuer.

## **6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material etc. are included in the Statement of Profit and Loss. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

## **7. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## **8. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for Current Tax is made on the assessable Income Tax rate applicable to the relevant assessment year after considering various deductions available under the Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. The carrying

amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

## **10. EARNINGS PER SHARE**

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## **11. PROVISIONS AND CONTINGENT LIABILITIES**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent liabilities are disclosed in the financial statement unless the possibility of outflow is remote. Contingent Liabilities are not provided for and are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

## **12. CASH & CASH EQUIVALENTS**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## **13. SEGMENT REPORTING**

The Company is having revenue from its customers which are located outside India of more than 10% of its total revenue.

Accordingly, as per AS-17 Segment Reporting, the company has identified geographic segment as its reportable segment.

The company has maintained records for cost of material consumed and other expenses incurred for manufacturing of goods in accounting system for all the products. However, the company manufactures the same products which are sold in Indian Market and outside India at similar cost of product manufacturing. Accordingly, the expenses incurred on export segment is not identifiable.

Similarly, Assets of Outside India is identifiable to the extent of Continent Wise Outstanding Trade Receivables only.

However, revenue generated for the products varies on the basis of sale price of domestic sale and export sale.

Accordingly, we have disclosed geographic Segment Revenue and Segment Assets in table below for Domestic (India) and Export (Outside India): -

Particulars	Period ended 30 <sup>th</sup> June, 2023	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022	Year ended 31 <sup>st</sup> March, 2021
<b>Revenue including other Operating income</b>				
India	1847.39	6762.60	3812.20	3111.73
Outside India				
4. Asia	956.37	2776.49	3404.55	4874.50
5. Europe	75.1	319.68	408.51	218.97
6. North America	-	367.85	657.68	120.35
<b>Total</b>	<b>2878.86</b>	<b>10226.62</b>	<b>8282.94</b>	<b>8325.55</b>
<b>Carrying amount of Segment Assets (Trade Receivable)</b>				
India	1410.97	1656.83	1138.55	680.91
Outside India				
7. Asia	928.35	784.36	782.33	2230.07
8. Europe	1.15	116.54	104.96	15.03
9. North America	0.82	153.25	130.87	27.98
<b>Total</b>	<b>2341.29</b>	<b>2710.98</b>	<b>2156.71</b>	<b>2953.99</b>

#### 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

Details of Gratuity Expenses	30.06.2023	31.03.2023	31.03.2022	31.03.2021
<b>Profit and loss account for the period</b>				
Current service cost	1.36	5.95	5.55	5.07
Interest on obligation	0.35	1.14	0.70	0.35
Expected return on plan assets				
Net actuarial loss/(gain)	(4.67)	(4.37)	(0.49)	(0.31)
Recognised Past Service Cost-Vested				
Loss (gain) on curtailments				
<b>Total included in 'Employee Benefit Expense'</b>	<b>(2.96)</b>	<b>2.72</b>	<b>5.76</b>	<b>5.11</b>
prior year charge				
<b>Total Charge to P&amp;L</b>	<b>(2.96)</b>	<b>2.72</b>	<b>5.76</b>	<b>5.11</b>
<b>Reconciliation of defined benefit obligation</b>				
Opening Defined Benefit Obligation	18.73	16.01	10.25	5.14
Transfer in/(out) obligation				
Current service cost	1.36	5.95	5.55	5.07
Interest cost	0.35	1.14	0.70	0.35
Actuarial loss (gain)	(4.67)	(4.37)	(0.49)	(0.31)
Past service cost				
Benefits paid				
prior year charge				
<b>Closing Defined Benefit Obligation</b>	<b>15.77</b>	<b>18.73</b>	<b>16.01</b>	<b>10.25</b>
<b>Table of experience adjustments</b>				
Defined Benefit Obligation				
Plan Assets				
<b>Surplus/(Deficit)</b>				
<b>Reconciliation of plan assets</b>				
Opening value of plan assets				

Transfer in/(out) plan assets				
Expenses deducted from the fund				
Expected return				
Actuarial gain/(loss)				
Contributions by employer				
Benefits paid				
<b>Closing value of plan assets</b>				
<b>Details of Gratuity Expenses</b>	<b>30.06.2023</b>	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2021</b>
<b>Reconciliation of net defined benefit liability</b>				
Net opening provision in books of accounts	18.73	16.01	10.25	5.14
Transfer in/(out) obligation				
Transfer (in)/out plan assets				
Employee Benefit Expense	(2.96)	2.72	5.76	5.11
Benefits paid by the Company				
Contributions to plan assets				
<b>Closing provision in books of accounts</b>	<b>15.77</b>	<b>18.73</b>	<b>16.01</b>	<b>10.25</b>
<b>Bifurcation of liability</b>				
Current Liability	2.16	0.36	0.06	0.04
Non-Current Liability	13.61	18.37	15.95	10.21
<b>Net Liability</b>	<b>15.77</b>	<b>18.73</b>	<b>16.01</b>	<b>10.25</b>
<b>Principle actuarial assumptions</b>				
Discount Rate	7.25% p.a.	7.35% p.a.	7.15% p.a.	6.85% p.a.
Expected Return on Plan Assets	NA	NA	NA	NA
Salary Escalation Rate	7.00% p.a.	7.00% p.a.	7.00% p.a.	7.00% p.a.
Expected Return on Plan Assets	NA	NA	NA	NA

Withdrawal Rates 10.00% p.a at younger ages reducing to 2.00% p.a at older ages

## II. NOTES TO RESTATED SUMMARY STATEMENTS:

The financial statements for the year/period ended on 30 June, 2023, 31 March 2023, 2022 and 2021 respectively are prepared as per Schedule III of the Companies Act, 2013: -

### 1. Contingent liabilities and commitments (to the extent not provided for)

A disclosure for a contingent liability is usually reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources. However, there has not been any such liability/event, which qualifies as contingent liability in the restated period.

### 2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of the outstanding dues of Micro or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act-2006, the Company has disclosed in the Note No. F of the restated financial statement, the same as required by Schedule III to the Companies Act, 2013.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note Z of the enclosed restated financial statements.

4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income”, The disclosure of the same has been reported in the Note C of the enclosed restated financial statement.

### 5. Directors' Remuneration:

(Rs. In Lacs)

Particulars	30.06.2023	31.03.2023	31.03.2022	31.03.2021
Directors' Remuneration	49.47	197.86	378.00	369.00
<b>Total</b>	<b>49.47</b>	<b>197.86</b>	<b>378.00</b>	<b>369.00</b>

## 6. Auditors' Remuneration:

(Rs. In Lacs)

Particulars	For the Year Ended		
	2022-23	2021-22	2020-21
i) As Auditors			
For Audit Fees	1.75	1.75	1.50
For Other Services	0.80	0.25	-
<b>Total</b>	<b>2.55</b>	<b>2.00</b>	<b>1.50</b>

## 7. Earnings per Share:

Particulars	For the Year/Period Ended			
	30.06.2023	31.03.2023	31.03.2022	31.03.2021
A. Total Number of equity shares outstanding at the end of the year	36,00,000	36,00,000	1,00,000	1,00,000
B. Weighted average number of equity shares outstanding during the year for the adjusted EPS	1,44,00,000	1,44,00,000	1,44,00,000	1,44,00,000
C. Adjusted Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated)	362.16	989.21	449.02	439.77
D. Restated Basic and Diluted earnings per share (Not Annualized) (Rs.)	2.51	6.87	3.12	3.05

The Company has issued 35,00,000 bonus equity shares in ratio of 35:1 to its shareholders on July 14, 2022 and 1,08,00,000 equity shares as bonus in the ration of 3:1 on July 20, 2023 by capitalizing reserve and surplus balance. Thus, the total 144,00,000 equity shares have been considered while deriving EPS of the Company retrospectively from F.Y. 2020-21 onwards.

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

9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

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

## 11. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

## 12. Contractual liabilities

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

## 13. Amounts in the financial statements

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

## 14. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

There have been no audit qualifications/observations in Statutory Auditor's Report for year/period ended 30.06.2023, 31.03.2023, 31.03.2022 and 31.03.2021 which requires adjustments in restated financial statements.

## 15. Material Adjustments

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements is presented here below:

### RECONCILIATION OF RESTATED PROFIT:

(Rs. In lakhs)

Statement of Adjustments in the financial statements is presented here below	30.06.2023	31.03.2023	31.03.2022	31.03.2021
<b>Adjustments for</b>				
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	388.24	985.71	483.11	442.40
<b>Adjustments for:</b>				
Provision for gratuity	-	-	-	(5.11)
Short/excess Provision of deferred tax	(24.57)	1.16	(34.09)	2.48
Short/excess Provision of Income tax	(1.51)	2.34	-	-
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>362.16</b>	<b>989.21</b>	<b>449.02</b>	<b>439.77</b>

1. The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits

2. Due to changes in gratuity provision the deferred tax component on the same has also undergone change.

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below: -

### RECONCILIATION OF EQUITY AND RESERVES:

(Rs. In Lakhs)

Particulars	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>Equity and Reserves as per Audited Balance Sheet</b>	2615.69	2227.45	1241.74	768.88
Adjustments for:				
Difference Due to Change in P&L	(20.02)	6.07	-7.68	-2.63
Prior period Adjustments (Refer Note-1)	-	-	10.25	29.04
<b>Equity and Reserves as per Restatement</b>	<b>2595.67</b>	<b>2233.52</b>	<b>1244.31</b>	<b>795.29</b>

#### Note:1

Amounts of gratuity provision & adjustment of Deferred tax relating to the prior period have been adjusted in the year to which the same relates to and the same amount is arrived on account of change in Opening Balance of Reserve and Surplus due to the restated effect on the profit / (loss) of prior period.

Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**NOTE – A**  
**RESTATED STATEMENT OF SHARE CAPITAL & RESERVES AND SURPLUS**  
(Amt. in Rs. Lakhs, Except Share Data)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Share Capital</b>				
<b>Authorised Share Capital</b>				
Equity shares of Rs.10 each	12,000,000	12,000,000	100,000	100,000
Equity Share Capital	1,200.00	1,200.00	10.00	10.00
<b>Issued, Subscribed and Paid up Share Capital</b>				
Equity Shares of Rs. 10 each fully paid up	3,600,000	3,600,000	100,000	100,000
Share Capital (in Rs.)	360.00	360.00	10.00	10.00
<b>Total</b>	<b>360.00</b>	<b>360.00</b>	<b>10.00</b>	<b>10.00</b>

**RESERVES AND SURPLUS**

Surplus in Profit and Loss account	30-06-2023	31-03-23	31-03-22	31-03-21
Balance as per the last financial statements	1,873.52	1,234.31	785.29	316.48
Adj on account of Deffered Tax		-	-	34.18
Profit for the Year	362.16	989.21	449.02	439.77
Less : Adjustment for Gratuity Provision		-	-	(5.14)
Less: Bonus Share Issued*		(350.00)	-	-
<b>Balance as at the end of Financial Year</b>	<b>2,235.67</b>	<b>1,873.52</b>	<b>1,234.31</b>	<b>785.29</b>

\* During the year the company has issued bonus shares of 35,00,000 at Rs. 10 each by capitalising reserves & surplus balances.

1. Terms/rights attached to equity shares:

- i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.
- ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. Company does not have any Revaluation Reserve.

4. The reconciliation of the number of Equity shares outstanding as at: -

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Number of shares at the beginning of the year	3,600,000	100,000	100,000	100,000
Add: Bonus Share Issued #		3,500,000		
Add: Fresh Issue of shares				
Number of shares at the end of the year	3,600,000	3,600,000	100,000	100,000

# During the year company has issued bonus share in proportion of 35:1 of present share holding.

5. The detail of shareholders holding more than 5% of Shares: -

Name of Shareholders	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Vallabhbhai Ratanji Savaliya	576,000	576,000	27,000	32,000
Kishorkumar Panchabhai Patolia	1,080,000	1,080,000	30,000	30,000
Dr. Pravinchandra Jasmat Vasolia	1,224,000	1,224,000	34,000	34,000
Rutesh Vallabhbhai Savaliya	288,000	288,000	0	0
Zankar Vallabhbhai Savaliya	288,000	288,000	0	0

**6. Promoter's Shareholding**

**Shares held by Promoters at the end of the years 30.06.2023**

Name	No. of Shares	% of Total Shares	% Change During the Year
Vallabh Ratnaji Savaliya	576,000	16.00%	0.00%
Kishorkumar Panchabhai Patolia	1,080,000	30.00%	0.00%

Dr. Pravinchandra Jasmat Vasolia	1,224,000	34.00%	0.00%
Rutesh Vallabhbhai Savaliya	288,000	8.00%	3.00%

**Shares held by Promoters at the end of the years 31.03.2023**

Name	No. of Shares	% of Total Shares	% Change During the Year
Vallabh Ratnaji Savaliya	576,000	16.00%	-11.00%
Kishorkumar Panchabhai Patolia	1,080,000	30.00%	0.00%
Dr. Pravinchandra Jasmat Vasolia	1,224,000	34.00%	0.00%
Rutesh Vallabhbhai Savaliya	288,000	8.00%	3.00%

**Shares held by Promoters at the end of the years 31.03.2022**

Name	No. of Shares	% of Total Shares	% Change During the Year
Vallabhbhai Ratanji Savaliya	27,000	27.00%	-5.00%
Kishorkumar Panchabhai Patolia	30,000	30.00%	0.00%
Dr. Pravinchandra Jasmat Vasolia	34,000	34.00%	0.00%
Rutesh Vallabhbhai Savaliya	5,000	5.00%	5.00%

**Shares held by Promoters at the end of the years 31.03.2021**

Name	No. of Shares	% of Total Shares	% Change During the Year
Vallabhbhai Ratanji Savaliya	32,000	32.00%	0.00%
Kishorkumar Panchabhai Patolia	30,000	30.00%	0.00%
Dr. Pravinchandra Jasmat Vasolia	34,000	34.00%	0.00%

**7. Equity shares movement during the 5 years preceding March 31, 2023**

**i) Equity shares issued as bonus**

The Company allotted 35,00,000 equity shares as fully paid up bonus shares by capitalisation of reserves & surplus balances during the FY 2022-23.

**NOTE – B  
RESTATED STATEMENT OF LONG-TERM BORROWINGS**

**(Rs. in Lakhs)**

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>(a) Term loans (Secured)</b>				
- Working Capital Term Loan	270.00	270.00	270.00	-
- Vehicle Loan	73.97	108.48	153.59	72.73
<b>Sub-total (a)</b>	<b>343.97</b>	<b>378.48</b>	<b>423.59</b>	<b>72.73</b>
<b>(b) Loans and advances from related parties &amp; Others (Unsecured)</b>				
<b>(i) From Directors</b>				
Vallabhbhai Ratanji Savaliya	377.10	327.10	277.10	377.10
Kishorkumar Panchabhai Patolia	305.69	367.87	367.87	367.87
Dr. Pravinchandra Jasmat Vasolia	523.29	348.29	279.40	304.40
<b>(ii) Relatives of Directors</b>				
Bansari Kishorbhai Patolia	1.68	1.68	1.68	1.68
Hemanshi Pravinbhai Vasolia	1.68	1.68	1.68	1.68
Nitaben Pravinchandra Vasolia	7.70	7.70	7.70	7.70
Priyadarshna Kishorkumar Patolia	9.32	9.32	9.32	9.32
<b>(iii) From Others</b>				
M/s Novamed Exports Pvt Ltd		-	-	35.25
<b>Sub-total (b)</b>	<b>1,226.46</b>	<b>1,063.65</b>	<b>944.75</b>	<b>1,104.99</b>
<b>Total (a+b)</b>	<b>1,570.43</b>	<b>1,442.12</b>	<b>1,368.34</b>	<b>1,177.72</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A)



**NOTE B(A) RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

(Rs. in Lakhs)

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Tenure	Amount of EMI	Outstanding amount as on 30.06.2023 as per Books	Outstanding amount as on 31.03.2023 as per Books	Outstanding amount as on 31.03.2022 as per Books	Outstanding amount as on 31.03.2021 as per Books
Daimler Financial Services India Private Limited	Vehicle Loan	29.05	9.23%	Vehicle	36 Months	0.927	-	20.24	29.05	-
Daimler Financial Services India Private Limited	Vehicle Loan	29.05	9.23%	Vehicle	36 Months	0.927	-	19.47	28.13	-
Daimler Financial Services India Private Limited	Vehicle Loan	21.78	9.23%	Vehicle	36 Months	0.695	-	15.18	21.78	-
HDFC Bank	Vehicle Loan	36.00	6.95%	Vehicle	60 Months	0.712	28.68	30.30	36.00	-
HDFC Bank	Vehicle Loan	42.00	6.85%	Vehicle	60 Months	0.82869	31.52	33.44	40.82	-
HDFC Bank	Vehicle Loan	42.00	6.85%	Vehicle	60 Months	0.82869	31.52	33.44	40.82	-
HDFC Bank	Vehicle Loan	8.11	7.25%	Vehicle	60 Months	0.16155	6.59	6.95	-	-
Yes Bank	Working Capital Term Loan	270.00	9.25%	all the existing securities available against the Cash Credit facility.	60 Months	-	270.00	270.00	270.00	-
Yes Bank	Cash Credit	1,000.00	8.40%	As per below Note-1	-	-	893.60	807.14	582.05	996.58
Yes Bank	Export Packing Credit - Foreign	1,000.00	To be decided at the time of	As per below Note-1	-	-	221.30	221.22	74.77	-

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Tenure	Amount of EMI	Outstanding amount as on 30.06.2023 as per Books	Outstanding amount as on 31.03.2023 as per Books	Outstanding amount as on 31.03.2022 as per Books	Outstanding amount as on 31.03.2021 as per Books
	Currency/ INR		drawdown							
Daimler Financial Services India Private Limited	Vehicle Loan	45.86	10.43%	Vehicle	48 Months	0.69418	-	-	-	32.34
Daimler Financial Services India Private Limited	Vehicle Loan	45.86	10.43%	Vehicle	48 Months	0.69418	-	-	-	32.34
Daimler Financial Services India Private Limited	Vehicle Loan	41.26	10.48%	Vehicle	48 Months	0.70063	-	-	-	25.85
HDFC Bank	Vehicle Loan	3.82	9.00%	Vehicle	60 Months	0.07929	-	-	-	0.91
<b>TOTAL</b>							<b>1,483.21</b>	<b>1,457.39</b>	<b>1,123.42</b>	<b>1,088.01</b>

**Note 1 Cash Credit - YES Bank Limited: -**

**Collateral Security: -**

1. Exclusive Charge by way of Hypothecation on Current Assets and Movable Fixed Assets for both present and future.
2. Equitable / Registered Mortgage on Property situated at:
  - a) Equitable Mortgage of Existing property located at A-5, Paras Bunglows Part-1, Opp. Govt. Tubewell, Near Telephone Exchange, Bopal Ahmedabad.
  - b) Equitable Mortgage of Existing property located at Parshwanath Tower, 10th Floor, Nr. Pakwan Restaurant S G highway, Ahmedabad.
  - c) Equitable Mortgage of Existing property located at 603, Royal Chinmay Tower, Near juges bungalow char rasta, Setellite road, Ahmedabad
  - d) Equitable Mortgage of Existing property located at 013, Groud Floor, Sunrise Shopping mall, Near Swaminarayan Tample, Vasrtapur, Ahmedabad.
  - e) Equitable Mortgage of Existing property located at Plot No. 4 & 5, The Viramgam Co. Op. Industrial Estate Limited, Nr. Balapir Darga, Viramgam, Hansalpur, Gujarat- 382150
  - f) Equitable Mortgage of Existing property located at A/07, milenium Plaza, Nr. Mansi Circle, Ahmedabad-380015.

**3. Personal Guarantee of**

- (A) Dr. Pravinchandra Jasmat Vasolia
- (B) Kishorkumar Panchabhai Patolia

(C) Vallabh Ratanji Savaliya

**4. Insurance Policies in the Name of Company:**

<b>Name</b>	<b>Policy No.</b>	<b>Surrender Value</b>
Max Life Insurance Co. Ltd.	520631011	56.52
Max Life Insurance Co. Ltd.	520739160	583.12
Max Life Insurance Co. Ltd.	520575846	114.05
<b>Total</b>		<b>753.69</b>

**NOTE- C**

**RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. Rs. in Laacs)

<b>Particulars</b>	<b>30-06-2023</b>	<b>31-03-2023</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
<b>Opening Balance (A)</b>				
Opening Balance of Deferred Tax (Asset) / Liability	27.54	20.90	10.58	7.88
<b>Closing Balances (B)</b>				
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	32.99	32.26	24.91	13.14
(DTA) / DTL on account of gratuity provision	(3.97)	(4.71)	(4.03)	(2.58)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>29.02</b>	<b>27.54</b>	<b>20.90</b>	<b>10.58</b>
<b>Current Year Provision (B-A)</b>	<b>1.48</b>	<b>6.65</b>	<b>10.32</b>	<b>2.70</b>

**NOTE – D**

**RESTATED STATEMENT OF LONG-TERM LIABILITIES**

(Rs. in Lakhs)

<b>Particulars</b>	<b>30-06-2023</b>	<b>31-03-2023</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Liability for Gratuity (Non-Current)	13.61	18.37	15.95	10.21
<b>Total</b>	<b>13.61</b>	<b>18.37</b>	<b>15.95</b>	<b>10.21</b>

**NOTE – E**

**RESTATED STATEMENT OF SHORT-TERM BORROWINGS**

(Rs. in Lakhs)

<b>Particulars</b>	<b>30-06-2023</b>	<b>31-03-2023</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
<b>Current Maturity of Long Term Debts</b>				
Vehicle Loan	24.34	50.55	43.00	18.70
<b>Loan Repayable on Demand</b>				
From Banks				
Yes Bank Limited- Cash Credit	893.60	807.14	582.05	996.58
Pre-shipment Credit in Foreign Currency	221.30	221.22	74.77	-
<b>Total</b>	<b>1,139.24</b>	<b>1,078.91</b>	<b>699.82</b>	<b>1,015.28</b>

**Note :**

1. The terms and conditions and other information in respect of Secured Loans are given in NOTE-B (A).

**NOTE – F**

**RESTATED STATEMENT OF TRADE PAYABLES**

(Rs. in Lakhs)

<b>Particulars</b>	<b>30-06-2023</b>	<b>31-03-2023</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
<b>Trade Payables</b>				
<b>Outstanding due to Micro and Small Enterprises (A)</b>	<b>-</b>	<b>114.68</b>	<b>593.17</b>	<b>541.00</b>
<b>Outstanding due to Creditors other then Micro and Small Enterprises (B)</b>	<b>1,434.22</b>	<b>1,599.83</b>	<b>1,469.55</b>	<b>933.28</b>
- For Goods	1,380.86	1,454.65	1,197.91	659.96
- For Expenses	53.35	145.18	271.64	273.31
<b>Total (A+B)</b>	<b>1,434.22</b>	<b>1,714.51</b>	<b>2,062.73</b>	<b>1,474.28</b>

**Trade Payables ageing schedule as on 30.06.2023**

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME					
(ii)Others	1,428.24	5.98			<b>1,434.22</b>
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

**Trade Payables ageing schedule as on 31.03.2023**

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	114.68				<b>114.68</b>
(ii)Others	1,593.03	6.80			<b>1,599.83</b>
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

**Trade Payables ageing schedule as on 31.03.2022**

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	593.17				<b>593.17</b>
(ii)Others	1,383.24	86.32			<b>1,469.55</b>
(iii)Disputed dues – MSME					
(iv)Disputed dues - Others					

**Trade Payables ageing schedule as on 31.03.2021**

Particulars	Outstanding for following periods from due date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	541.00				<b>541.00</b>
(ii)Others	933.28				<b>933.28</b>
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

**NOTE – G**

**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

**(Rs. in Lakhs)**

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Other Current Liabilities</b>				
<b>Statutory Dues</b>				
TDS Payable	9.53	15.85	15.46	33.49
TCS Payable	0.00	0.00	0.51	1.28
GST RCM Payable	0.00	0.20	0.05	0.15
<b>Other Liabilities</b>				

Advance received form Customers	0.13	0.13	39.79	74.64
Salary Payable	289.57	295.27	271.23	295.26
Liability for Gratuity (Current)	2.16	0.36	0.06	0.04
Interest Accrued but not due*	0.00	0.00	1.96	0.00
Professional Tax Payable	0.07	0.00	0.00	0.00
<b>Total</b>	<b>301.46</b>	<b>311.81</b>	<b>329.05</b>	<b>404.86</b>

\* Interest Accrued but not due on Working Capital Term Loan Rs.1.96 Lakhs Which is due in next year.

**NOTE – H**

**RESTATED STATEMENT OF SHORT TERM PROVISIONS**

**(Rs. in Lakhs)**

<b>Particulars</b>	<b>30-06-2023</b>	<b>31-03-2023</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
<b>Short Term Provisions</b>				
Provision for Audit Fees	-	1.75	2.00	1.50
Provision for CSR	-	10.93	6.02	-
Provision for Income Tax	328.15	255.92	-	92.41
Provision for Expense Payables	0.39	2.46	1.40	1.14
<b>Total</b>	<b>328.54</b>	<b>271.06</b>	<b>9.43</b>	<b>95.05</b>

**NOTE – I**

**RESTATED STATEMENT OF FIXED ASSETS**

**F.Y. 2020-21**

**(Rs. in Lakhs)**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2020	Additions	Deletions	As at 31.03.2021	As at 01.04.2020	Additions	Deletions	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b><u>Property, Plant and Equipment</u></b>										
Land (Plot)	130.71	135.43	130.71	135.43	-	-	-	-	135.43	130.71
Factory Buliding	95.97	-	-	95.97	31.74	2.54	-	34.28	61.69	64.23
Computer	7.30	-	-	7.30	6.61	0.30	-	6.92	0.39	0.69
Furniture & Fixture	13.98	-	-	13.98	4.79	1.58	-	6.37	7.61	9.19
Vehicles	269.30	-	-	269.30	108.87	29.71	-	138.57	130.73	160.44
Plant & Machinery	490.85	80.13	12.51	558.47	213.28	26.23	-	239.51	318.96	277.57
<b>Total</b>	<b>1,008.12</b>	<b>215.56</b>	<b>143.22</b>	<b>1,080.46</b>	<b>365.29</b>	<b>60.36</b>	<b>-</b>	<b>425.65</b>	<b>654.81</b>	<b>642.84</b>
<i>Previous Year</i>	<b>951.76</b>	<b>56.36</b>	<b>-</b>	<b>1,008.12</b>	<b>305.97</b>	<b>59.32</b>	<b>-</b>	<b>365.29</b>	<b>642.84</b>	<b>645.79</b>

**F.Y. 2021-22**

**(Rs. in Lakhs)**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
<b><u>Property, Plant and Equipment</u></b>										
Land (Plot)	135.43			135.43	-			-	135.43	135.43
Factory Buliding	95.97	25.20		121.17	34.28	2.75		37.03	84.14	61.69
Computer	7.30	0.34		7.64	6.92	0.07		6.99	0.65	0.39
Furniture & Fixture	13.98	18.79		32.78	6.37	1.39		7.76	25.02	7.61
Vehicles	269.30	136.11	84.09	321.33	138.57	31.88	68.93	101.52	219.81	130.73
Plant &	558.47	222.10	20.21	760.36	239.51	33.90	6.52	266.89	493.47	318.96

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 01.04.2021	Additions	Deletions	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Machinery										
<b>Total</b>	<b>1,080.46</b>	<b>402.54</b>	<b>104.29</b>	<b>1,378.70</b>	<b>425.65</b>	<b>69.99</b>	<b>75.44</b>	<b>420.20</b>	<b>958.50</b>	<b>654.81</b>
<i>Previous Year</i>	<i>1,008.12</i>	<i>215.56</i>	<i>143.22</i>	<i>1,080.46</i>	<i>365.29</i>	<i>60.36</i>	<i>-</i>	<i>425.65</i>	<i>654.81</i>	<i>642.84</i>

F.Y. 2022-2023

(Rs. in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2022	Additions	Deletions	As at 31.03.2023	As at 01.04.2022	Additions	Deletions	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
<b>Property, Plant and Equipment</b>										
Land (Plot)	135.43			135.43	-			-	135.43	135.43
Factory Buliding	121.17			121.17	37.03	3.34		40.36	80.81	84.14
Computer	7.64	0.95		8.59	6.99	0.35		7.34	1.25	0.65
Furniture & Fixture	32.78	12.95		45.73	7.76	2.38		10.14	35.59	25.02
Vehicles	321.33	8.11	-	329.44	101.52	37.24	-	138.77	190.67	219.81
Plant & Machinery	760.36	57.76	19.10	799.02	266.89	39.49	1.39	304.99	494.03	493.47
<b>Total</b>	<b>1,378.70</b>	<b>79.77</b>	<b>19.10</b>	<b>1,439.38</b>	<b>420.20</b>	<b>82.79</b>	<b>1.39</b>	<b>501.60</b>	<b>937.78</b>	<b>958.50</b>
<b>Previous Year</b>	<b>1,080.46</b>	<b>402.54</b>	<b>104.29</b>	<b>1,378.70</b>	<b>425.65</b>	<b>69.99</b>	<b>75.44</b>	<b>420.20</b>	<b>958.50</b>	<b>654.81</b>

F.Y. 2023-2024 (Upto 30.06.2023)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2023	Additions	Deletions	As at 30.06.2023	As at 01.04.2023	Additions	Deletions	As at 30.06.2023	As at 30.06.2023	As at 31.03.2023
<b>Property, Plant and Equipment</b>										
Land (Plot)	135.43	73.74		209.17	-			-	209.17	135.43



Factory Buliding	121.17	-		121.17	40.36	0.83		41.20	79.97	80.81
Computer	8.59	-		8.59	7.34	0.10		7.44	1.15	1.25
Furniture & Fixture	45.73	-		45.73	10.14	0.76		10.90	34.83	35.59
Vehicles	329.44	-		329.44	138.77	9.30		148.07	181.37	190.67
Plant & Machinery	799.02	10.00		809.02	304.99	10.57		315.56	493.46	494.03
<b>Total</b>	<b>1,439.38</b>	<b>83.74</b>	<b>-</b>	<b>1,523.12</b>	<b>501.60</b>	<b>21.56</b>	<b>-</b>	<b>523.16</b>	<b>999.96</b>	<b>937.78</b>
<i>Previous Year</i>	<b>1,378.70</b>	<b>79.77</b>	<b>19.10</b>	<b>1,439.38</b>	<b>420.20</b>	<b>82.79</b>	<b>1.39</b>	<b>501.60</b>	<b>937.78</b>	<b>958.50</b>

**NOTE – J**

**RESTATED STATEMENT OF NON-CURRENT INVESTMENT**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Investments in NSC - Sales Tax	0.05	0.05	0.05	0.05
<b>Total</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>

**NOTE – K**

**RESTATED STATEMENT OF OTHER NON-CURRENT ASSET**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Security Deposit	48.74	48.74	48.56	29.44
Fixed Deposits *	2.96	2.96	2.86	0.86
Preliminary Expenses	4.00	-	-	-
<b>Total</b>	<b>55.70</b>	<b>51.70</b>	<b>51.41</b>	<b>30.29</b>

\* Fixed deposit having maturity for more than 12 months.

**NOTE – L**

**RESTATED STATEMENT OF TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Trade Receivables</b>				
Unsecured Considered good				
- Trade Receivables outstanding for a period exceeding six month from the due date of transaction	44.93	42.14	52.81	105.54
- Due from Director, Related parties/ Group Company etc.	209.56	266.16	27.70	-
- Others	2086.80	2,402.68	2,076.20	2,848.46
<b>Total</b>	<b>2,341.29</b>	<b>2,710.98</b>	<b>2,156.71</b>	<b>2,953.99</b>

**1. Trade Receivables ageing schedule AS AT 30.06.2023**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment/transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	2,296.36	5.59	2.07	37.27		2,341.29
(ii) Undisputed Trade Receivables considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

**1. Trade Receivables ageing schedule AS AT 31.03.2023**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment/transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	2,668.84		2.22	39.92		2,710.98
(ii) Undisputed Trade Receivables						

considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

## 2.Trade Receivables ageing schedule AS AT 31.03.2022

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment/transaction					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables-considered good	2103.90	-	0.89	43.55	8.37	2156.71
(ii) Undisputed Trade Receivables considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

## 3.Trade Receivables ageing schedule AS AT 31.03.2021

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payment/transaction					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables-considered good	2848.46	26.12	71.05	8.37		2953.99
(ii) Undisputed Trade Receivables considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

### NOTE – M

#### RESTATED STATEMENT OF CASH & CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Cash and Cash Equivalents</b>				
Cash on Hand	5.49	2.80	1.25	1.03
<b>Balances with Banks</b>	452.29	126.12	59.17	131.33
<b>Total</b>	<b>457.77</b>	<b>128.92</b>	<b>60.42</b>	<b>132.36</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

### NOTE – N

#### RESTATED STATEMENT OF INVENTORIES

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Stock of Raw Material and Stock in Trade</b>				
Raw Material	1,961.83	1,337.82	601.56	129.60
Semi Finished Goods	201.93	147.21	243.21	10.86
Finished Goods	543.79	740.53	421.59	-
<b>Total</b>	<b>2,707.55</b>	<b>2,225.56</b>	<b>1,266.36</b>	<b>140.47</b>

**NOTE – O**

**RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Unsecured, Considered Good unless otherwise stated</b>				
Advance Recoverable either in Cash or Kinds	2.49	2.17	3.38	16.35
Advance to Suppliers	85.55	8.29	106.65	20.31
<b>Total</b>	<b>88.03</b>	<b>10.47</b>	<b>110.03</b>	<b>36.66</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – P**

**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Balance with Revenue Authorities</b>				
Income Tax Refund (AY 2022-23)	-	16.23	16.23	-
Duty Drawback Receivable	192.57	179.25	134.70	78.14
RoDTep Income Receivables	18.65	11.80	-	-
Excise Receivable	1.96	1.96	1.96	1.96
GST Receivable	543.08	807.90	989.09	948.10
VAT Receivable		-	-	-
<b>Other Current Assets</b>				
Prepaid Expense	5.58	15.25	5.07	6.42
Interest Accrued on Deposits		-	-	-
<b>Total</b>	<b>761.84</b>	<b>1,032.39</b>	<b>1,147.04</b>	<b>1,034.62</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – Q**

**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Sale of products</b>				
-Export Sales	1,031.47	3,464.02	4,470.74	5,213.82
-Domestic Sales	1,847.39	6,724.82	3,789.43	3001.39
<b>Other Operating Income</b>				
-MEIS License Income	-	37.78	22.77	110.34
<b>Total</b>	<b>2,878.86</b>	<b>10,226.62</b>	<b>8,282.94</b>	<b>8,325.55</b>

**NOTE – R**

**RESTATED STATEMENT OF OTHER INCOME**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Currency Rate Difference	0.76	126.01	91.59	33.66
Balance Written Off	0.00	2.08	3.57	3.71
Quality Difference	-	-	-	-
Commission Income	-	86.30	-	-
Packing and Forwarding	-	0.28	-	-
Insurance Claim Received	-	-	0.14	-

Interest from Fixed Deposits	0.01	0.16	0.32	2.70
Interest on IncomeTax Refund	0.62	-	0.56	0.94
Profit on Sale of Fixed Assets	-	3.39	22.26	-
Duty Drawback Received	13.33	44.55	56.55	66.39
Government subsidy	-	-	-	4.00
RODTEP Export Scheme	6.85	11.80	-	-
<b>Total</b>	<b>21.57</b>	<b>274.57</b>	<b>174.98</b>	<b>111.39</b>

**NOTE – S**

**RESTATED STATEMENT OF COST OF MATERIAL CONSUMED**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Opening Stock of Raw Material	1,337.82	601.56	129.60	170.44
Add: Purchase of Materials				
Indegineous	2,421.01	7,933.23	6,645.45	5,718.34
Imported	86.63	251.00	38.46	-
Less: Closing stock of Raw Material	(1,961.83)	(1,337.82)	(601.56)	(129.60)
<b>Total</b>	<b>1,883.64</b>	<b>7,447.96</b>	<b>6,211.95</b>	<b>5,759.18</b>

**NOTE – T**

**RESTATED STATEMENT OF CHANGE IN INVENTORIES**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Opening Balance of Stock				
(i) Finished Goods	740.53	421.59	-	12.61
(ii) Work-in-progress	147.21	243.21	10.86	-
Total	887.74	664.80	10.86	12.61
Less: Closing Balance of Stock				
(i) Finished Goods	543.79	740.53	421.59	-
(ii) Work-in-progress	201.93	147.21	243.21	10.86
Total	745.72	887.74	664.80	10.86
<b>Increase/(Decrease) in Stock</b>	<b>142.02</b>	<b>(222.93)</b>	<b>(653.94)</b>	<b>1.75</b>

**NOTE – U**

**RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Salary and Wages	62.65	327.30	281.36	272.83
Remunration to Directors & MD	45.00	180.00	360.00	360.00
Staff Welfare Expenses	1.26	4.75	6.34	6.51
Gratuity Expenses	(2.96)	2.72	5.76	5.11
<b>Total</b>	<b>105.95</b>	<b>514.76</b>	<b>653.47</b>	<b>644.44</b>

**NOTE – V**

**RESTATED STATEMENT OF FINANCE COST**

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Interest Exp</b>				

Interest on Cash Credit Facility	25.51	75.37	29.33	48.19
Interest on Term Loan	6.31	22.77	5.76	-
Interest on Inter-corporate Loan	-	-	2.34	5.67
Interest on Vehicle Loan	2.98	14.25	10.86	10.26
<b>Other Borrowing Cost</b>				
Bank Charges	4.00	5.36	9.49	2.63
Bank Commission Charges	0.15	0.46	0.39	2.89
Loan Processing Charges	-	-	16.98	0.77
<b>Total</b>	<b>38.96</b>	<b>118.22</b>	<b>75.14</b>	<b>70.42</b>

NOTE – W

RESTATED STATEMENT OF DEPRECIATION & AMORTISATION

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Depreciation and Amortisation Expenses	21.56	82.79	69.99	60.36
<b>Total</b>	<b>21.56</b>	<b>82.79</b>	<b>69.99</b>	<b>60.36</b>

NOTE – X

RESTATED STATEMENT OF OTHER EXPENSES

(Rs. in Lakhs)

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
<b>Direct Expenses</b>				
Agency Charges	0.39	0.82	0.82	1.24
Custom Duty Expense	7.15	22.14	9.22	4.17
Effluent Spry Drying Charges	12.60	132.37	160.14	118.27
Electricity Expense	3.92	16.94	19.94	16.97
Fire Wood Expense	3.75	19.76	14.92	11.54
Handling Expense	18.06	28.30	115.57	77.07
Job Work Charges	90.89	481.01	500.96	325.94
Laboratory Expense	4.74	17.26	18.25	16.67
Labour Contract Charges	3.27	19.06	36.33	22.56
Stores and Spares	7.98	53.92	84.97	77.37
Freight Inward	11.82	36.49	55.81	57.64
<b>Indirect Expense</b>				
Audit fees	-	2.55	2.00	1.50
Corporate Social Responsibility	-	12.16	6.02	-
Data Charges	1.19	0.91	-	-
Donation	-	-	0.51	-
Electricity Expenses-Office	1.03	3.31	2.76	2.34
Interest on Statutory Dues	0.01	0.55	6.06	12.49
Insurance Expense	9.00	135.63	74.72	100.38
Legal & Professional Expenses	11.22	47.72	13.63	13.08
Loss on Sale of Plot	-	-	-	3.39
Membership Fees	0.63	5.49	0.44	1.03
Office Expenses	3.26	9.96	9.87	4.87
Petrol Expenses	1.66	7.41	6.08	7.40
Postage and Telephone Expense	0.65	2.11	1.82	2.21
Quality difference (Related to Sales)	-	0.59	23.75	-
Waste Treatment Charges	0.48	-	-	-
Rates and Taxes	-	4.41	24.63	18.73

Particulars	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Rent Expenses	2.06	7.95	7.50	15.67
Research & Development Expense	2.69	3.56	-	-
Repairs and Maintenance	-			
Repairs to Buildings	1.49	24.70	16.70	-
Repairs of Machinery	0.49	1.84	46.49	11.45
Repairs of Others	1.37	11.28	6.85	-
Stationary and Printing Expense	0.43	1.30	0.81	1.18
Sundry Balance Written off	-	-	-	-
Travelling Expenses				
- Domestic	1.90	9.31	2.05	-
- Foreign	1.01	-	-	-
<b>Selling and Distribution Expenses</b>				
Advertisement Expenses	-	4.06	1.40	0.49
Commission Expense	5.13	17.42	66.13	249.89
Courier Expense	0.66	4.71	3.40	0.25
Exhibition Expense	2.89	-	-	-
Export Expense	-	-	-	21.45
Freight Outward	0.68	37.17	121.67	69.71
Packing Expense	6.83	19.68	22.01	31.24
<b>Total</b>	<b>221.32</b>	<b>1,203.87</b>	<b>1,484.23</b>	<b>1,298.20</b>

**NOTE – Y**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

Particulars	As at			
	30-06-2023	31-03-2023	31-03-2022	31-03-2021
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts (Income tax Appeal (disputed demand) for A.Y. 2016-17 and TDS Defaults)	-	-	-	-
Guarantees given on Behalf of the Company				
Guarantees given on Behalf of the Subsidiary Company	-	-	-	-
Other moneys for which the company is contingently liable	-	-	-	-
Commitments (to the extent not provided for)	-	-	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
Uncalled liability on shares and other investments partly paid	-	-	-	-
Other commitments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE – Z**

**AA RELATED PARTY DISCLOSURE**

(a) List of Related parties

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Vallabhbhai Ratanji Savaliya	Whole Time Director
2	Kishorkumar Panchabhai Patolia	Whole Time Director
3	Dr.Pravinchandra Jasmat Vasolia	Managing Director
4	Rutesh Vallabhbhai Savalia	Whole Time Director

Sr. No.	Name of the Person / Entity	Relation
5	Bansari Kishorbhai Patolia	Relative of KMP
6	Heamanshi Pravinbhai Vasoliya	Relative of KMP
7	Nitaben Pravinchandra Vasolia	Relative of KMP
8	Priyadarshna Kishorkumar Patolia	Relative of KMP
9	Chemtech Dyes And Intermediates	Entity in which KMP are interested
10	Papillion Impex Private Limited	Company in which KMP are interested
11	Hindpragon Polyresins Pvt. Ltd.	Company in which KMP are interested
12	Parasonic Industries	Entity in which KMP are interested
13	Parabolic Industries	Entity in which KMP are interested

**(b)Transaction with related Parties :-**

**(Rs. In Lakhs)**

SI No.	Particulars	FOR THE YEAR/ PERIOD ENDED			
		30.06.2023	31.03.2023	31.03.2022	31.03.2021
<b>1</b>	<b>Remuneration Paid to Directors</b>				
i)	Vallabhbhai Ratanji Savaliya	15.00	60.00	120.00	120.00
ii)	Kishorkumar Panchabhai Patolia	15.00	60.00	120.00	120.00
iii)	Dr. Pravinchandra Jasmat Vasolia	15.00	60.00	120.00	120.00
iv)	Rutesh Vallabhbhai Savalia	4.47	17.86	18.00	9.00
<b>2</b>	<b>Salary</b>				
i)	Nitaben Pravinchandra Vasolia	-	36.00	36.00	36.00
ii)	Priyadarshna Kishorkumar Patolia	-	36.00	36.00	36.00
<b>3</b>	<b>Job Work Expenses</b>				
i)	Chemtech Dyes and Intermediates	6.38	151.66	211.10	143.45
<b>4</b>	<b>Sales of Goods</b>				
i)	Chemtech Dyes and Intermediates	405.40	563.54	-	-
ii)	Hindparagon Polyresins Pvt.Ltd.	-	0.51	104.38	-
<b>5</b>	<b>Purchase of Goods</b>				
i)	Chemtech Dyes and Intermediates	519.98	691.66	-	-
ii)	Hindparagon Polyresins Pvt.Ltd.	0.04	-	-	-
<b>6</b>	<b>Loan Taken by the Company</b>				
i)	Vallabh Ratanji Savaliya	50.00	50.00	-	200.00
ii)	Kishorkumar Panchabhai Patolia	50.00	-	-	150.00
iii)	Dr. Pravinchandra Jasmat Vasolia	175.00	75.00	-	135.00
iv)	Papillion Impex Private Limited	-	-	2.00	-
<b>7</b>	<b>Loan Paid back by the Company</b>				
i)	Dr. Pravinchandra Jasmat Vasolia	-	-	-	25.00
ii)	Papillion Impex Private Limited	-	2.00	-	-
iii)	Kishorkumar Panchabhai Patolia	112.18	-	-	-
<b>8</b>	<b>Balance Outstanding (Liability)</b>				
i)	Vallabhbhai Ratnaji Savaliya	377.10	327.10	277.10	377.10
ii)	Kishorkumar Panchabhai Patolia	305.69	367.87	367.87	367.87
iii)	Dr. Pravinchandra Jasmat Vasolia	523.29	354.40	279.40	304.40
iv)	Bansari Kishorbhai Patolia	1.68	1.68	1.68	1.68
v)	Heamanshi Pravinbhai Vasoliya	1.68	1.68	1.68	1.68
vi)	Nitaben Pravinchandra Vasolia	7.70	7.70	7.70	7.70
vii)	Priyadarshana Kishorkumar Patolia	9.32	9.32	9.32	9.32
viii)	Papillion Impex Private Limited	-	-	2.00	-
<b>9</b>	<b>Balance Outstanding (Debtors &amp; Creditors)</b>				
i)	Chemtech Dyes and Intermediates	209.46 Dr.	266.01 Dr	73.42 Cr	48.55 Cr
ii)	Hindpragon Polyresins Private Limited	0.10 Dr.	0.15 Dr	27.70 Dr	-
iii)	Parasonic Industries	2.31 Cr.	2.31 Cr	2.31 Cr	2.31 Cr
iv)	Parabolic Industries	-	-	18.39 Cr	18.39 Cr



**NOTE – AA**  
**RESTATED STATEMENT OF TAX SHELTER**

(Rs. In Lakhs)

Particulars	As at			
	30-06-2023	31-03-23	31-03-22	31-03-21
Restated profit before tax as per books (A)	486.98	1,356.52	617.08	602.60
Tax Rates				
Income Tax Rate (%)	25.17%	25.17%	25.17%	25.17%
Minimum Alternative Tax Rate (%)	0.00%	0.00%	0.00%	0.00%
Adjustments :				
Other Allowed Items	(2.96)			
Disallowed	0.01	15.42	14.43	1.78
Timing Difference ©				
Book Depreciation	21.56	82.79	69.99	60.36
Income Tax Depreciation allowed	24.47	108.59	94.49	76.21
Total Timing Difference	(2.90)	(25.80)	(24.50)	(15.85)
Net Adjustment D= (B+C)	(5.85)	(10.38)	(10.07)	(14.07)
Tax Expenses				-
Income from Capital Gains (E)				-
Income from Other Sources			-	-
Bank Interest			-	-
Interest Received on I.Tax Refund			-	-
Deduction under chapter VI (H)			-	-
Taxable Income/(Loss) (A+D+E+G+H)	481.13	1,346.14	607.01	588.53
Income Tax on Above	121.09	338.80	152.77	148.12
MAT on Book Profit			-	-
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal
Interest Payable				
Total Provision for Tax	121.09	338.80	152.77	148.12

**NOTE – AB**  
**CAPITALISATION STATEMENT**

(Amt. Rs. in Lacs)

Particulars	Pre Issue	Post Issue*
<b>Borrowings</b>		
Short term debt (A)	1139.24	119.24
Long Term Debt (B)	1570.43	1300.43
<b>Total debts (C)</b>	<b>2709.67</b>	<b>1419.67</b>
<b>Shareholders' funds</b>		
Equity share capital	360.00	1956.60
Reserve and surplus - as restated	2,235.67	5805.07
<b>Total shareholders' funds</b>	<b>2,595.67</b>	<b>7761.67</b>
<b>Long term debt / shareholders funds (in Rs.)</b>	<b>0.61</b>	<b>0.17</b>
<b>Total debt / shareholders funds (in Rs.)</b>	<b>1.04</b>	<b>0.18</b>

\* Subject to finalization of the Basis of Allotment and amount of borrowings are consider after repayment of loan as per the object clause of fresh issue of shares.

Notes:

- Short term Debts represent which are expected to be paid/payable within 12 months
- Long term Debts represent debts other than Short term Debts as defined above
- The Company has issued 1,08,00,000 equity shares of Face Value of Rs. 10/- by way of bonus issue in the ratio of 3:1 on July 20, 2023.

4. The corresponding post issue figures are based on Auditor's Certificate dated October 31, 2023
5. While calculating the post issue shareholder's funds, we have considered the impact of fresh issue of 51,66,000 equity shares being offered through IPO at a price of ₹ 100/- per share. We've not taken impact of estimated issue expenses.
6. While calculating post-issue borrowings, we have only given the impact of repayment of debts of ₹ 1290 lakhs, which is to be utilized by the Company from the Issue proceeds.

**NOTE – AC**  
**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(Rs. in Lakhs Except Per Share Data)

Particulars	30-06-2023	31-03-23	31-03-22	31-03-21
Net Worth (A)	2,595.67	2,233.52	1,244.31	795.29
Adjusted Profit after Tax (B)	362.16	989.21	449.02	439.77
Number of Equity Share outstanding as on the End of Year (c)	3,600,000	3,600,000	100,000	100,000
Weighted average no of Equity shares at the End of the Year (D)	14,400,000	14,400,000	14,400,000	14,400,000
Face Value per Share	10.00	10.00	10.00	10.00
Restated Basic Earning Per Share (Rs.) (B/D)	2.51	6.87	3.12	3.05
Restated Diluted Earning Per Share (Rs.) (B/D)	2.51	6.87	3.12	3.05
Return on Net worth (%) (B/A)	13.95%	44.29%	36.09%	55.30%
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Actual Number of Shares)	72.10	62.04	1,244.31	795.29
Net asset value per share (A/D) (Face Value of Rs. 10 Each) (Based on Weighted Average Number of Shares)	18.03	15.51	8.64	5.52
EBITDA	521.78	1277.13	560.37	615.70

**Note:**

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.) -: Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.) -: Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year

(d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

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

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

4) The figures disclosed above are based on the restated summary statements of the Company.

5) EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses

**NOTE AD**

**Restated Statement of Other Disclosures as per Schedule-III of the Companies Act, 2013**

**1. Value of imports calculated on C.I.F basis by the company during the financial year in respect of**

Particulars	As at June 30, 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
i) Raw materials	86.63	251.00	38.46	-
ii) Plant & Machinery/Equipment	-	-	-	-
<b>TOTAL</b>	<b>86.63</b>	<b>251.00</b>	<b>38.46</b>	<b>-</b>

## 2. Expenditure in foreign currency during the financial year

Particulars	As at June 30, 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
i) Exhibition Expense	-	-	-	-

## 3. Earnings in foreign exchange

Particulars	As at June 30, 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
i) Export of goods	1,031.47	3,464.02	4,470.74	5,213.82

## 4. Auditors' Remuneration

Particulars	As at June 30, 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
i) For Audit Fees		1.75	1.75	1.50
ii) For Other Services		0.80	0.25	-
<b>TOTAL</b>		<b>2.55</b>	<b>2.00</b>	<b>1.50</b>

## 5. Foreign Exchange exposure as on year end are as under:

Particulars	As at June 30, 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
i) Amount Receivable	930.32	1,054.15	1,018.16	2,273.08
ii) Advance received for supply of goods	-	-	22.67	74.11
<b>TOTAL</b>	<b>930.32</b>	<b>1,054.15</b>	<b>1,040.83</b>	<b>2,347.19</b>

## 6. Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

Particulars	As at 30 June 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
i) Gross amount required to be spent by the company		12.16	6.02	-
ii) Amount spent are as under:				
a) Construction / Acquisition of Assets				
- In cash		-	-	-
- Yet to be paid		-	-	-
b) On purpose other than (a) above				
- In cash		-	-	-
- Yet to be paid		12.16	6.02	-
iii) Disclosure of unspent amount				
Opening Balance		6.02	-	-
Amount deposited in Specified Fund of Sch. VII*		7.25	-	-
Amount required to be spent during the year		12.16	6.02	-
Amount spent during the year				
Closing Balance		-	6.02	

\* During Current Financial year, company has deposited CSR Amount Rs.7.25/- Lakh on 25/01/2023.

**NOTE – AE**

**RATIO ANALYSIS AND ITS ELEMENTS**

**(Rs. in Lakhs Except Per Share Data)**

<b>Particulars</b>	<b>Note</b>	<b>30-06-2023</b>	<b>31-03-23</b>	<b>31-03-22</b>	<b>31-03-21</b>	<b>Variation between FY 23 &amp; FY 22</b>	<b>Variation between FY 22 &amp; FY 21</b>	<b>Reason for Variation between FY 23 &amp; FY 22</b>	<b>Reason for Variation between FY 22 &amp; FY 21</b>
1. Current Ratio	1	1.98	1.81	1.53	1.44	18.30%	6.25%	NA	NA
2. Debt Equity Ratio	2	1.04	1.13	1.66	2.76	-31.93%	-39.86%	Due to increase in overall profitability of the company	Due to increase in overall profitability of the company
3. Debt Service Coverage Ratio	3	7.43	25.89	28.62	24.14	-9.54%	18.56%	NA	NA
4. Return On Equity Ratio	4	15.00	56.89%	44.03%	109.22%	29.21%	-59.69%	Due to increase in overall profitability of the company as compare to the previous year	Due to increase in amount of shareholder's equity whereas there is no major increase in profitability as compared to previous year
5. Inventory Turnover ratio	5	0.82	4.14	7.90	35.61	-47.59%	-77.82%	Due to increase in amount of Inventory on account of bulk purchase	Due to increase in amount of Inventory on account of bulk purchase
6. Trade Receivable Turnover Ratio	6	1.14	4.2	3.24	3.28	29.63%	-1.22%	Due to increase in amount of sales in higher proportion as compare to the amount of trade receivables	NA
7. Trade Payable Turnover Ratio	7	1.59	4.33	3.78	3.35	14.55%	12.84%	NA	NA
8. Net Capital Turnover Ratio	8	0.98	4.68	5.62	9.64	-16.73%	-41.70%	NA	Due to increase in amount of working capital

Particulars	Note	30-06-2023	31-03-23	31-03-22	31-03-21	Variation between FY 23 & FY 22	Variation between FY 22 & FY 21	Reason for Variation between FY 23 & FY 22	Reason for Variation between FY 22 & FY 21
9. Net Profit Ratio	9	12.58%	9.67%	5.42%	5.28%	78.41%	2.65%	Due to reduction in all the other expenses and benefit in bulk purchases	NA
10. Return on Capital Employed	10	12.25%	38.86%	24.90%	33.44%	56.06%	-25.54%	Due to increase in Turnover and overall profitability	Due to increase in Turnover and overall profitability of the company
11. Return on Investment	11	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	NA	NA

## NOTES OF CALCULATION

Particulars	30-06-2023	31-03-23	31-03-22	31-03-21
<b>1. Current Ratio</b>				
Current assets	6,356.48	6,108.31	4,740.56	4,298.11
Current liabilities	3,203.45	3,376.29	3,101.03	2,989.46
<b>Ratio</b>	<b>1.98</b>	<b>1.81</b>	<b>1.53</b>	<b>1.44</b>
<b>2. Debt Equity Ratio</b>				
Debt	2,709.67	2,521.03	2,068.16	2,193.00
Equity	2,595.67	2,233.52	1,244.31	795.29
<b>Ratio</b>	<b>1.04</b>	<b>1.13</b>	<b>1.66</b>	<b>2.76</b>
<b>3. Debt Service Coverage Ratio</b>				
EBITDA	521.78	1,277.13	560.37	615.70
Principal+Interest	70.21	59.92	25.70	30.12
<b>Ratio</b>	<b>7.43</b>	<b>25.89</b>	<b>28.62</b>	<b>24.14</b>
<b>4. Return On Equity Ratio</b>				
NPAT	362.16	989.21	449.02	439.77
Average Shareholders Equity	2,414.59	1,738.91	1,019.80	402.64
<b>Ratio</b>	<b>15.00%</b>	<b>56.89%</b>	<b>44.03%</b>	<b>109.22%</b>
<b>5. Inventory Turnover ratio</b>				
COGS	2,025.66	7,225.02	5,558.02	5,760.93
Average Inventory	2,466.55	1,745.96	703.41	161.76
<b>Ratio</b>	<b>0.82</b>	<b>4.14</b>	<b>7.90</b>	<b>35.61</b>
<b>6. Trade Receivable Turnover Ratio</b>				
Sales	2,878.86	10,226.62	8,282.94	8,325.55
Average Debtors	2,526.13	2,433.85	2,555.35	2,541.18
<b>Ratio</b>	<b>1.14</b>	<b>4.20</b>	<b>3.24</b>	<b>3.28</b>
<b>7. Trade Payable Turnover Ratio</b>				
Purchase	2,507.65	8,184.23	6,683.91	5,718.34
Average Creditors	1,574.37	1,888.62	1,768.50	1,707.47
<b>Ratio</b>	<b>1.59</b>	<b>4.33</b>	<b>3.78</b>	<b>3.35</b>
<b>8. Net Capital Turnover Ratio</b>				
Sales	2,878.86	10,226.62	8,282.94	8,325.55
Average Working Capital	2,942.53	2,185.78	1,474.09	864.02
<b>Ratio</b>	<b>0.98</b>	<b>4.68</b>	<b>5.62</b>	<b>9.64</b>
<b>9. Net Profit Ratio</b>				
NPAT	362.16	989.21	449.02	439.77
Revenue from Operation	2,878.86	10,226.62	8,282.94	8,325.55
<b>Ratio</b>	<b>12.58</b>	<b>9.67%</b>	<b>5.42%</b>	<b>5.28%</b>
<b>10. Return on Capital Employed</b>				
EBIT	515.48	1,446.14	659.61	666.72
Capital Employed	4,208.74	3,721.55	2,649.50	1,993.80
<b>Ratio</b>	<b>12.25%</b>	<b>38.86%</b>	<b>24.90%</b>	<b>33.44%</b>

## OTHER FINANCIAL INFORMATION

The audited financial statements of our Company for the stub period ending June 30, 2023 and for financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.paragonind.com](http://www.paragonind.com)

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of the Draft Red Herring Prospectus; (ii) Red Herring Prospectus or (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 are given below: -

<b>Particulars</b>	<b>June 30, 2023</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Profit After Tax (Rs. In Lakhs)	362.16	989.21	449.02	439.77
Basic & Diluted Earnings per Share	2.51	6.87	3.12	3.05
Return on Net Worth (%)	13.95%	44.29%	36.09%	55.30%
NAV (Based on no. of share outstanding at the end of year)	72.10	62.04	1244.31	795.29
NAV per Equity Shares (Based on Weighted Average Number of Shares)	18.03	15.51	8.64	5.52
Earnings before interest, tax, depreciation and amortization (EBITDA)	521.78	1277.13	560.37	615.70

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,

The Board of Directors,  
**PARAGON FINE AND SPECIALITY CHEMICAL LIMITED**

Dear Sirs,

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **PARAGON FINE AND SPECIALITY CHEMICAL 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 30th June, 2023 are mentioned below.

**A. SECURED LOANS**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

								(Rs. In Lacs)
Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.06.2023 as per Books (In Lakhs)
Yes Bank	Cash Credit Facility	YBL/SEB/W S/FL/2022-2023/5487	1000.00	Effective Rate of Interest (ROI) is 8.40% p. a. which is 3.50% (Spread / Markup) over and above the External Benchmark Lending Rate	As per Note-1	Repayable on Demand	N.A.	893.60
Yes Bank	GECL-WCTL (To Mitigate Economic Distress faced due to Covid 19	101LA40213620001	270.00	Effective Rate of Interest (ROI) is 9.25% p. a. which is 4.35% (Spread / Markup) over and above the External Benchmark Lending Rate	All the existing securities available against the Cash Credit facility. (100% Guarantee covered by National Credit Guarantee Trust Company Limited)	Only Interest for the first 24 Months and Equal Monthly Installment for the balance 36 Months commencing from January, 2024	24 Months for Principal Repayment	270.00
	Export	YBL/SEB/W	1000.00	To be decided at the time	As per Note-1	Repayable on Demand	N.A.	221.30



Name of Lender	Purpose	Loan/ Agreement A/c No./Ref. No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary & Collateral Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 30.06.2023 as per Books (In Lakhs)
Yes Bank	Packing Credit - Foreign Currency/INR	S/FL/2022-2023/5487		of drawdown				
Yes Bank	Export Packing Credit - Foreign Currency/INR	YBL/SEB/W S/FL/2022-2023/5487	400.00	To be decided at the time of drawdown	Unconditional and Irrevocable Personal Guarantee of below Guarantors till the tenor of the Facility: a) Kishorkumar Panchabhai Patolia b) Dr. Pravinchandra Jasmat Vasolia c) Vallabh RatanjiSavaliya	Repayable on Demand	N.A.	-
HDFC Bank	Vehicle Loan	128230597	36.00	6.95% p.a.	Hypothecation of Car	60 monthly installments of Rs. 71,200 each commencing from May 2022	N.A.	28.68
HDFC Bank	Vehicle Loan	129554625	8.11	7.25% p.a.	Hypothecation of Car	60 monthly installments of Rs. 16,155 each commencing from June 2022	N.A.	6.59
HDFC Bank	Vehicle Loan	125411079	42.00	6.85% p.a.	Hypothecation of Car	60 monthly installments of Rs. 82,869 each commencing from February 2022	N.A.	31.52
HDFC Bank	Vehicle Loan	125417011	42.00	6.85% p.a.	Hypothecation of Car	60 monthly installments of Rs. 82,869 each commencing from February 2022	N.A.	31.52
<b>Total Amount</b>								<b>1483.21</b>

**Note-1 Primary & Collateral Security for Cash Credit Facility & Export Packing Credit - Foreign Currency/INR**

1. Exclusive Charge by way of Hypothecation on Current Assets and Movable Fixed Assets for both present and future.
2. Equitable / Registered Mortgage on Property situated at:
  - a) Equitable Mortgage of Existing property located at A/05, Paras Bungalows Part-1, Bopal, Ahmedabad.
  - b) Equitable Mortgage of Existing property located at Office No 1001/1, 10th Floor, parshva Tower, Nr. Pakwan Restaurant, Ahmedabad.
  - c) Equitable Mortgage of Existing property located at B-603, 6th Floor, Royal Chinmay Tower, Setellite road, Ahmedabad
  - d) Equitable Mortgage of Existing property located at Shop No 13, Groud Floor, Sunrise mall, Vasrtapur, Ahmedabad.
  - e) Equitable Mortgage of Existing property located at Plot No. 4 & 5, The Viramgam Co. Op. Industrial Estate Limited, Nr. Balapir Darga, Viramgam, Hansalpur, Gujarat.
  - f) Equitable Mortgage of Existing property located at A/07, 2nd Floor, milenium Plaza, Nr. Mansi Circle, Ahmedabad.
3. Personal Guarantee of
  - a) Dr. Pravinchandra Jasmat Vasolia
  - b) Kishorkumar Panchabhai Patolia
  - c) Vallabhbhai Ratanji Savaliya
4. Insurance Policies in the Name of Company:

Name	Policy Number	Surrender Value (Amount in Lakhs)
Max Life Insurance Co. Ltd.	520631011	56.52
Max Life Insurance Co. Ltd.	520739160	583.12
Max Life Insurance Co. Ltd.	520575846	114.05
<b>TOTAL</b>		<b>753.69</b>

**Principal terms of facilities availed from Yes Bank Limited:**

1. The Availability of working capital facilities will be subject to availability of the Drawing power calculated after keeping margin of 25% of Stock plus Book debts less than 90 days less creditors.
2. In addition to the rate of interest, following penal rate of interest/ charges will be charged: -

(a) Overdue Rate of Interest	2.00% per annum over and above the applicable rate of interest
(b) Non Submission of renewal documents	If not submitted within 60 days, additional interest up to 2% p.a. for period of delay.
(c) Non-compliance of any of the conditions of sanction	2.00% p.a. payable monthly during the period of non - compliance
(d) Utilization of Facilities even after the expiry of limits	Interest at the rate of 18% will be levied/charged

**3. Commitment charges: -**

Underutilization/utilization of the fund based working capital Facilities at a level below 60% shall attract the levy of commitment charge(s) at the Bank' s sole discretion.

Overall Limit with Yes Bank	Applicable Commitment Charges
Upto 10 MM	INR 5,000/- + applicable taxes Per Financial Quarter
10 MM > 50 MM	INR 10,000 /- + applicable taxes Per Financial Quarter
Above 50 MM	INR 15,000 /- + applicable taxes Per Financial Quarter

#### B. UNSECURED LOANS

Name	Purpose	Repayment	Outstanding Amount in Lacs as per Books as on 30/06/2023
Vallabhbai Ratanji Savaliya	Business Loan	Repayable on Demand	377.10
Kishorkumar Panchabhai Patolia	Business Loan	Repayable on Demand	305.69
Dr. Pravinchandra Jasmat Vasolia	Business Loan	Repayable on Demand	523.29
Bansari Kishorbhai Patolia	Business Loan	Repayable on Demand	1.68
Heamanshi Pravinbhai Vasoliya	Business Loan	Repayable on Demand	1.68
Nitaben Pravinchandra Vasolia	Business Loan	Repayable on Demand	7.70
Priydarshna Kishorkumar Patolia	Business Loan	Repayable on Demand	9.32
<b>TOTAL</b>			<b>1226.46</b>

For, K A R M A & C O L L P  
Chartered Accountants  
Firm Reg No: 127544W/W100376

Sd/-

Jignesh A Dhaduk  
Designated Partner  
Mem. No: 129149  
UDIN: 23129149BGVLJL3394  
Place: Ahmedabad  
Date: 17<sup>th</sup> October, 2023

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “Financial Information of the Company” beginning on page 157 You should also read the section titled “Risk Factors” on page 24 and the section titled “Forward Looking Statements” on page 17 of this Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements. Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated August 17, 2023 which is included in this Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **Business Overview**

We are engaged in the business of custom synthesis and manufacturing of chemical intermediates involving complex and differentiated chemistry. We commenced business as a partnership firm in the year 2004 and have, over the years, evolved into custom synthesis and manufacturing of Pharma Intermediates, AGRO intermediates, Cosmetics Intermediates, Pigment Intermediates and Dye Intermediates etc. for a diverse base of Indian and global customers. We work with an approach towards chemistry combined with technology and systems that would lead to sustained product development. Our diverse range of products finds applications across various industries, including pharma, agrochemicals, cosmetics, pigments and dyes.

We have a state-of-art Pilot Plant, which is a vital link between R&D and large scale production. We have a pilot plant with two glass line assembly and three reactors installed, for batch reaction technology. We use various chemistry compositions like: Acetylation, Amination, Catalytic hydrogenation, Chlorosulfonation, Methoxylation, Nitration, Amidation, Ethoxylation, Sulphonation etc which enables us to cater to niche and advanced intermediate requirements of a wider range of end-products and applications.

We have a dedicated in-house R&D facility which is equipped with laboratories engaged in development and innovation of catalytic process, new chemical screening, which assists us in pursuing efficiencies from the initial conceptualization up to commercialization of a product. The Department of Scientific and Industrial Research has also recognized our in-house R&D facility. We have a diversified products portfolio due to our research and development (“R&D”) and technological capabilities. Our R&D team has successfully carried out multi-step synthesis and scale-up for several new molecules in the area of specialty intermediates and as a result expanded our commercialized product portfolio from around 100 products in Fiscal 2021 to around 140 products in Fiscal 2023. As of March 31, 2023, we have a team of 14 technocrats (with degrees such as Bachelor of Science, Master of Science, B. Pharma or Bachelor of Engineering.)

We are a One Star Export House exporting in countries like: USA, Israel, Spain, United Kingdom, China, Switzerland, Taiwan, Thailand, Mexico, Japan, Russia, France, Indonesia, Latvia, Germany etc. As of March 31, 2023, our product portfolio comprised of around 140 products. The revenue from top 10 products of the company for the Stub period ended June 30, 2023, Fiscal 2023, Fiscal 2022 and Fiscal 2021 were 1175.51 Rs 2879.94 lakhs, Rs 4748.77 lakhs and Rs 3259.68 lakhs which contributed to 40.83%, 28.16%, 57.33% and 39.15% of our total revenue from operations.

The share of revenue through our various Industry Segment is as under:

	<i>(Rs. In Lakhs)</i>			
<b>Industry Segment</b>	<b>June 30, 2023</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
Agro intermediates	528.53	915.64	1,478.56	360.95
cosmetics Intermediates	103.80	630.07	590.15	575.32
Dyes intermediates	958.81	7,044.37	5,187.98	6,565.87
Pharma intermediates	254.91	6.66	6.31	4.84
Pigment Intermediates	-	108.39	-	27.32

Industry Segment	June 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Specialty Intermediates	1023.19	1,460.57	996.03	664.63
Others	9.62	60.92	23.91	126.62
<b>Total</b>	<b>2878.86</b>	<b>10,226.62</b>	<b>8,282.94</b>	<b>8,325.55</b>

Our Company is led by our Promoters Dr. Pravinchandra Jasmat Vasolia, Kishorkumar Panchabhai Patolia and Vallabh Ratanji Savaliya each of whom is having an experience of more than 3 decades in the chemical and associated industry. Each of our Promoters is actively involved in the critical aspects of our business, including R&D, catalytic process and production, finance and marketing.

Over the years our Company has obtained various membership that facilitate our business and help us to secure orders from renowned customers. Our company secures following membership that add value to its operations:

- Life member of The Gujarat Dyestuff Manufacturers Association
- Member of Pharmaceuticals Export Promotion Council of India and
- Member of Basic Chemicals Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)
- We are member of Gujarat Chamber of Commerce & Industry
- Received Eco Care Membership Certificate for Solid Waste Disposal Facility.
- We are member of Novel Spent Acid Management for discharging 100 tons of acid per month.
- We are member of M/s A-One Green Enviro Project LLP for evaporation of effluent to the extent of 100 KL per day
- We are member of Chhatral Environment Management System Private Limited for disposal of high concentrated waste water

#### Key Performance Indicators of our Company

*(Rs. In Lakhs except percentages and ratios)*

Key Financial Performance	June 30, 2023*	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations <sup>(1)</sup>	2,878.86	10226.62	8282.94	8325.55
EBITDA <sup>(2)</sup>	521.78	1277.13	560.37	615.70
EBITDA Margin <sup>(3)</sup>	18.12%	12.49%	6.77%	7.40%
PAT	362.16	989.21	449.02	439.77
PAT Margin <sup>(4)</sup>	12.58%	9.67%	5.42%	5.28%
Net Worth <sup>(5)</sup>	2,595.67	2233.52	1244.31	795.29
RoE(%) <sup>(6)</sup>	15.00%	56.89%	44.03%	109.22%
RoCE (%) <sup>(7)</sup>	12.25%	38.86%	24.90%	33.44%

\*Not Annualized

#### Notes:

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements

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

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

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup> Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.

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

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

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of "Statement of Significant Accounting Policies", please refer to *Annexure IV of Restated Financial Statements* beginning on page 164 of this Prospectus.

#### Factors Affecting our Results of Operations

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

### **Discussion on Result of Operations**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the stub period ended on June 30, 2023 and for the financial years ended on March 31, 2023, 2022 and 2021.

Particulars	June 30, 2023	% of Total Income	31.03.2023	% of Total Income	31.03.2022	% of Total Income	31.03.2021	% of Total Income
Revenue From Operations	2,878.86	99.26%	10,226.62	97.39%	8,282.94	97.93%	8,325.55	98.68%
Other Income	21.57	0.74%	274.57	2.61%	174.98	2.07%	111.39	1.32%
<b>Total Revenue</b>	<b>2900.43</b>	<b>100%</b>	<b>10501.19</b>	<b>100%</b>	<b>8457.92</b>	<b>100%</b>	<b>8436.94</b>	<b>100.00%</b>
<b>Expenditure</b>								
Raw Material Consumption	1883.64	64.94%	7447.96	70.92%	6211.95	73.45%	5759.18	68.26%
Change in inventories of finished goods, work in progress and stock in trade	142.02	4.90%	-222.93	-2.12%	-653.94	-7.73%	1.75	0.02%
Employee Benefit Expenses	105.95	3.65%	514.76	4.90%	653.47	7.73%	644.44	7.64%
Finance Cost	38.96	1.34%	118.22	1.13%	75.14	0.89%	70.42	0.83%
Depreciation and Amortisation Expenses	21.56	0.74%	82.79	0.79%	69.99	0.83%	60.36	0.72%
Other Expenses	221.32	7.63%	1203.87	11.46%	1484.23	17.55%	1298.20	15.39%
<b>Total Expenditure</b>	<b>2413.45</b>	<b>83.21%</b>	<b>9144.67</b>	<b>87.08%</b>	<b>7840.85</b>	<b>92.70%</b>	<b>7834.34</b>	<b>92.86%</b>
<b>Profit/(Loss) Before Tax</b>	<b>486.98</b>	<b>16.79%</b>	<b>1356.52</b>	<b>12.92%</b>	<b>617.08</b>	<b>7.30%</b>	<b>602.60</b>	<b>7.14%</b>
<b>Tax Expense:</b>								
Current Tax	121.09	4.17%	360.95	3.44%	157.74	1.86%	160.13	1.90%
Adjustment of tax	2.26	0.08%	-0.28	0.00%	0.00		0.00	0.00%
Deferred Tax	1.48	0.05%	6.65	0.06%	10.32	0.12%	2.70	0.03%
<b>Total Tax Expense</b>	<b>124.82</b>	<b>4.30%</b>	<b>367.32</b>	<b>3.50%</b>	<b>168.06</b>	<b>1.99%</b>	<b>162.83</b>	<b>1.93%</b>
<b>Net Profit and loss as restated</b>	<b>362.16</b>	<b>12.49%</b>	<b>989.21</b>	<b>9.42%</b>	<b>449.02</b>	<b>5.31%</b>	<b>439.77</b>	<b>5.21%</b>

**Revenue from operations:**

Revenue from operations mainly consists of revenue from sale of manufactured goods including export sales and domestic sales.

**Other Income:**

Other income primarily comprises of Currency Rate Difference, Balance Written Off, Quality Difference, Commission Income, Packing and Forwarding, Insurance Claim Received, Interest from Fixed Deposits, Interest on Income Tax Refund, Profit on Sale of Fixed Assets, Duty Drawback Received, Government subsidy, RODTEP Export Scheme.

**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 both Indigenous and Imported.

**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 and work in progress.

**Employee benefits expense:**

Employee benefits expense primarily comprises of salaries and wages, Remuneration to directors, Staff welfare expenses and Gratuity.

**Finance Costs:**

Our Finance cost includes Interest expenses and Bank charges.

**Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Factory Building, Computer, Furniture & Fixture, Vehicles and Plant & Machinery

**Other Expenses:**

Other Expenses consists of Expenses like: Agency Charges, Custom Duty Expense, Effluent Spray Drying Charges, Electricity Expense, Fire Wood Expense, Handling Expense, Job Work Charges, Laboratory Expense, Labour Contract Charges, Stores and Spares, Freight Inward, Audit fees, Corporate Social Responsibility(CSR), Data Charges, Electricity Expenses, Interest on Statutory Dues, Insurance Expense, Legal & Professional Expenses, Membership Fees, Office Expenses, Petrol Expenses, Postage and Telephone Expense, Quality difference (Related to Sales), Rates and Taxes, Rent Expenses, Research & Development Expense, Repairs and Maintenance, Stationary and Printing Expense, Travelling Expense, Advertisement Expenses, Commission Expense, Courier Expense, Freight Outward and Packing Expense.

**FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED JUNE 30, 2023****Total Income:**

Total income for the period ended June 30, 2023 stood at Rs. 2900.43 Lakhs. The total income consists of revenue from operations and other income.



**Revenue from Operations:**

During the period ended June 30, 2023 the net revenue from operation of our Company was Rs. 2,878.86 Lakhs from sale of Agro Intermediates, Cosmetics Intermediates, Dyes Intermediates, Pharma Intermediates, Pigment Intermediates, Speciality Intermediates and other products.

**Other Income:**

During the period ended June 30, 2023 the other income of our Company stood at Rs. 21.57 Lakhs. The main components of the other income primarily comprises of Duty Drawback Received and RODTEP Export Scheme.

**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 June 30, 2023 the total expenses of our Company stood at Rs. 2,413.45 Lakhs.

**Cost of Material consumed**

During the period ended June 30, 2023 the Raw material consumption expenses of our Company stood at Rs.1,883.64 Lakhs. Our Raw material consumption expenses primarily comprises of Purchase of i) Raw Material of indigeneous Products and ii) Raw Material of Imported Products and change in stock of raw material.

**Change in inventories of finished goods and work in progress**

During the period ended June 30, 2023 Change in inventories of finished goods, work in progress and stock in trade of our Company stood at Rs 142.02 Lakhs. Our Change in inventories of finished goods, work in progress and stock in trade comprises of increase/(decrease) in stock of finished goods and Stock of work in progress.

**Employee benefits expense:**

During the period ended June 30, 2023 the employee benefit expenses of our Company stood at Rs.105.95 Lakhs. The main components of the employee benefit expenses are Salaries and wages, Remuneration to directors & MD, Staff welfare expenses, and Gratuity expenses.

**Finance Costs:**

During the period ended June 30, 2023 the employee benefit expenses of our Company stood at Rs.38.96 Lakh. The main components of the finance costs consist of Interest expense and other borrowing cost.

**Depreciation and Amortization Expenses:**

During the period ended June 30, 2023 the Depreciation and amortization charges of our Company stood at Rs. 21.56 Lakhs.

**Other Expenses:**

During the period ended June 30, 2023 the Other Expenses of our Company stood at Rs. 221.32 Lakhs. The main components of Other Expenses are Job Work Charges, Legal and Professional Expenses, Freight Inward, handling Expense, and Effluent Spry Drying Charges.

**Restated Profit before tax:**

The Company reported Restated profit before tax for period ending June 30, 2023 of Rs. 486.98 Lakhs.

**Restated profit after tax:**

The Company reported Restated profit after tax for period ending June 30, 2023 of Rs. 326.16 Lakhs.

## **FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022**

### **Total Income:**

Total income for the financial year 2022-23 stood at Rs. 10,501.19 Lakhs whereas in Financial Year 2021-22 the same stood at Rs. 8,457.92 Lakhs representing an increase of 24.16%. The main reason of increase was increase in the volume of business operations of the company from domestic market. The total income consists of revenue from operations and other income.

### **Revenue from Operations**

During the financial year 2022-23 the net revenue from operation of our Company increased to Rs. 10,226.62 Lakhs as against Rs. 8282.94 Lakhs in the Financial Year 2021-22 representing an increase of 23.47%. The main reason of increase was due to increase in the sales of (i) Cosmetics Intermediates of Rs. 630.07 lakhs in the financial year 2022-23 as compared to Rs. 590.15 lakhs in financial year 2021-22 which amount to increase of 6.76%, (ii) Dyes intermediates which was Rs. 7,044.37 lakhs in financial year 2022-23 as compared to Rs. 5,187.98 lakhs in financial year 2021-22 which amount to increase of 35.78%, (iii) Pharma intermediates of Rs. 6.66 lakhs in the financial year 2022-23 as compared to Rs. 6.31 lakhs in financial year 2021-22 which amount to increase of 5.55%.

### **Other Income:**

During the financial year 2022-23 the other income of our Company increased to Rs. 274.57 Lakhs as against Rs. 174.98 lakhs in the Financial Year 2021-22 representing an increase of 56.91% which was due to increase in income from (i) Currency Rate Difference of Rs. 126.01 lakhs in the financial year 2022-23 as compared to Rs. 91.59 lakhs in financial year 2021-22 which amount to increase of 37.59%, (ii) Commission Income of Rs.86.30 lakhs in financial year 2022-23, which started in current year itself, (iii) Packing and Forwarding of Rs. 0.28 lakhs in financial year 2022-23, which started in current year only, (iv) RODTEP Export Scheme of Rs.11.80 lakhs in financial year 2022-23, which started in current year itself.

### **Total Expenses**

The total expense for the financial year 2022-23 increased to Rs. 9,144.67 Lakhs from Rs. 7,840.85 lakhs in the Financial Year 2021-22 representing an increase of 16.63%. 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 Rs. 7,447.96 lakhs from Rs. 6,211.95 lakhs in the Financial Year 2021-22 representing an increase of 19.90%. Such increase was due to increase in purchase of (i) raw materials of Indigenous products from Rs 6,645.45 lakhs in financial year 2021-2022 to Rs 7,933.23 lakhs in financial year 2022-2023 representing an increase of 19.38%, (ii) raw materials of Imported products from Rs 38.46 lakhs in financial year 2021-2022 to Rs 251.00 lakhs in financial year 2022-2023 representing an increase of 552.66%.

### **Change in inventories of finished goods and work in progress**

Our Change in inventories of finished goods, work in progress and stock in trade comprises of increase/(decrease) in finished goods. The closing inventories of finished goods and work in progress for the financial year 2022-23 was Rs 887.74 lakhs as compared to Rs 664.80 lakhs in the Financial Year 2021-22 representing an increase in closing inventories of 33.53%.

### **Employee benefits expense:**

Our Company has incurred Rs. 514.76 Lakhs as Employee benefits expense during the financial year 2022-23 as compared to Rs. 653.47 Lakhs in the financial year 2021-22. The decrease of 21.23% was due to decrease in Director's Remuneration from Rs. 360 lakhs to Rs. 180 lakhs.

### **Finance Costs:**

Our Company has incurred Rs. 118.22 Lakhs as finance cost during the financial year 2022-23 as compared to Rs. 75.14 Lakhs in the financial year 2021-22. The increase of 57.33% was due to increase in interest on cash credit facility and Term Loans.

### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at Rs. 82.79 Lakhs as against Rs. 69.99 Lakhs during the financial year 2021-22. The increase in depreciation was around 18.29% which was due to addition in Plant & Machinery, Furniture & Fixtures and Vehicles.

### **Other Expenses:**

Our Company has incurred Rs. 1,203.87 Lakhs during the Financial Year 2022-23 on other expenses as against Rs. 1,484.23 Lakhs during the financial year 2021-22. There was a decrease of 18.89% mainly due (i) decrease in Handling Exp by 75.51% from Rs. 115.57 lakhs in financial year 2021-22 to Rs. 28.30 Lakhs in financial year 2022-23, (ii) decrease in Freight Outward by 69.45% from Rs. 121.67 lakhs in financial year 2021-22 to Rs. 37.17 lakhs in financial year 2022-23, (iii) decrease commission expenses by 73.66% from Rs. 66.13 lakhs in financial year 2021-22 to Rs. 17.42 lakhs in financial year 2022-23, (iv) decrease in Rates and Taxes by 82.09% from Rs. 24.63 lakhs in financial year 2021-22 to Rs. 4.41 lakhs in financial year 2022-23 (v) decrease in Quality Difference by 97.52 % from Rs. 23.75 lakhs in financial year 2021-22 to Rs. 0.59 lakhs in financial year 2022-23 (vi) decrease in Job Work Charges by 3.98 % from Rs. 500.96 lakhs in financial year 2021-22 to Rs. 481.01 lakhs in financial year 2022-23 (vii) decrease in Effluent Spry Drying Charges by 17.34 % from Rs. 160.14 lakhs in financial year 2021-22 to Rs. 132.37 lakhs in financial year 2022-23 etc.

### **Restated Profit before tax:**

Net profit before tax for the financial year 2022-23 increased to Rs. 1,356.52 Lakhs as compared to Rs. 617.08 Lakhs in the financial year 2021-22. The increase of 119.83% was majorly due to factors as mentioned above.

### **Restated profit after tax:**

As a result of the foregoing factors, our profit after tax for the year increase by 120.30% from net profit of Rs. 449.02 Lakhs in in financial year 2021-22 to net profit Rs. 989.21 lakhs in financial year 2022-23. Consequently, our PAT Margin expanded to 9.67% in financial year 2022-23 from 5.42% in financial year 2021-22.

## **FINANCIAL YEAR 2022 COMPARED TO FINANCIAL YEAR 2021**

### **Total Income:**

Total income for the financial year 2021-22 stood at Rs. 8,457.92Lakhs whereas in Financial Year 2020-21 the same stood at Rs. 8,436.94Lakhs representing an increase of 0.25 %.

### **Revenue from Operations**

During the financial year 2021-22 the net revenue from operation of our Company decreased to Rs. 8,282.94 Lakhs as against Rs. 8,325.55 Lakhs in the Financial Year 2020-21 representing a decrease of 0.51%. Majorly revenue from sale of dye intermediates reduced drastically to Rs 5187.98 lakhs in FY 22 which was Rs 6565.87 lakhs in FY 21 representing a decrease of 20.99%.

### **Other Income:**

During the financial year 2021-22 the other income of our Company increased to Rs. 174.98 Lakhs as against Rs. 111.39 lakhs in the Financial Year 2020-21 representing an increase of 57.09%.

### **Total Expenses**

The total expense for the financial year 2021-22 increased to Rs. 7,840.85 Lakhs from Rs. 7,834.34 lakhs in the Financial Year 2020-21 representing an increase of 0.08%. 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 2021-22 increased to Rs. 6,211.95 lakhs from Rs. 5,759.18 lakhs in the Financial Year 2020-21 representing an increase of 7.86%. Such increase was due to increase in purchase of (i) raw materials

of Indigenous products from Rs 5,718.34 lakhs in financial year 2020-2021 to Rs 6,645.45 lakhs in financial year 2021-2022 representing an increase of 16.21%, (ii) raw materials of Imported products of Rs. 38.46 lakhs in financial year 2021-2022, which started in financial year 2021-2022 itself.

#### **Change in inventories of finished goods and work in progress**

The closing inventories of finished goods and work in progress for the financial year 2021-22 was Rs 664.80 lakhs as compared to Rs 10.86 lakhs in the Financial Year 2020-21.

#### **Employee benefits expense:**

Our Company has incurred Rs. 653.47 Lakhs as Employee benefits expense during the financial year 2021-22 as compared to Rs. 644.44 Lakhs in the financial year 2020-21. The increase of 1.40% was due to increase in Salaries & wages.

#### **Finance Cost**

Our Company has incurred Rs. 75.14 Lakhs as finance cost during the financial year 2021-22 as compared to Rs. 70.42 Lakhs in the financial year 2020-21. The increase of 6.70% was due to increase in Borrowing Costs of the Company.

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2021-22 stood at Rs. 69.99 Lakhs as against Rs. 60.36 Lakhs during the financial year 2020-21. The increase in depreciation was around 15.95% in comparison to the previous year due to increase in plant and machinery, Furniture and Fixtures, Factory Building and Vehicles of the Company.

#### **Other Expenses:**

Our Company has incurred Rs. 1484.23 Lakhs during the Financial Year 2021-22 on other expenses as against Rs. 1298.20 Lakhs during the financial year 2020-21. There was an increase of 14.33% mainly due to increase in Effluent Spry Drying Charges, Handling Expenses, Job Work charges, Repair and Maintenance, Other Business Administrative Expenses, CSR expenditure, Quality difference (Related to Sales), Freight outward Charges and Rates & Taxes etc.

#### **Restated profit before tax:**

Net profit before tax for the financial year 2021-22 increased to Rs. 617.08 Lakhs as compared to Rs. 602.6 Lakhs in the financial year 2020-21. The increase of 2.40% was due to factors as mentioned above.

#### **Restated profit for the year:**

The Company reported Restated profit after tax for the financial year 2021-22 of Rs.449.02 Lakhs in comparison to Rs. 439.77 lakhs. The increase of 2.10% which was majorly due to factors as mentioned above.

#### **Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

##### ***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Prospectus, there are no unusual or infrequent events or transactions in our Company.

##### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 24 of the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. Future changes in relationship between costs and revenues**

Other than as described in the sections “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 24, 104 and 201 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Segment Reporting**

Our company operates in a single product segment. For details on geographical segment please refer “**Annexure IV**” forming part of “**Financial Information of the Company**” on page 164 of the Prospectus

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**”, our Company has not announced any new product or service.

**7. Seasonality of business**

Our business is not subject to seasonality. For further information, see “**Industry Overview**” and “**Our Business**” on pages 88 and 104 respectively.

**8. Dependence on single or few customers**

During the stub period ended on Jun 30, 2023 and for the FY 22-23, FY 21-22 and FY 20-21 our top 10 customers contributed to 67.61%, 70.23%, 79.67% and 80.76% of our revenue from operations respectively. For further information, see “**Risk Factors**” on page 24 of this Prospectus

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 88 and 104 respectively of this Prospectus.

**10. Details of material developments after the date of last balance sheet i.e., March 31, 2023**

After the date of last Balance sheet i.e., March 31, 2023, the following material events have occurred after the last audited period–

1. The Authorized Share Capital of the Company was increased from Rs 12,00,00,000/- divided into 1,20,00,000 Equity Shares of Rs.10/- each to Rs. 20,00,00,000 divided into 2,00,00,000 vide Extra Ordinary General Meeting held on July 19, 2023
2. We have capitalized the profits of the company by issuing 1,08,00,000 equity shares of Face Value of Rs. 10/- in ratio of 3:1 (3 new equity shares for 1 Existing shares) approved in Extra Ordinary General Meeting held on July 19, 2023 and allotted on July 20, 2023.
3. We have passed a Resolution in the meeting of Board of Directors dated July 14, 2023 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
4. We have passed a special resolution in the Extra-ordinary General meeting dated July 19, 2023 authorizing the Board of Directors to raise funds by making an Initial Public Offering.

5. Our company has approved the audited financial statements for the Financial Year ending March 31, 2023 in the Board meeting dated August 04, 2023
6. Our Company has approved the Restated Financial Statements for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in the Board meeting dated August 17, 2023.
7. Our Company has approved the Draft Red Herring Prospectus vide resolution in the Board Meeting dated August 31, 2023
8. Our company has approved the audited financial statements for the stub period ended June 30, 2023 in the Board meeting dated October 05, 2023
9. Our Company has approved the Restated Financial Statements for the stub period ended on June 30, 2023 and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 in the Board meeting dated October 14, 2023
10. Our Company has approved the Red Herring Prospectus vide resolution in the Board Meeting dated October 18, 2023
11. Our Company has approved the Prospectus vide resolution in the Board Meeting dated October 31, 2023

### CAPITALISATION STATEMENT

*(Amt. Rs. in Lacs)*

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue*</b>
<b>Borrowings</b>		
Short term debt (A)	1139.24	119.24
Long Term Debt (B)	1570.43	1300.43
<b>Total debts (C)</b>	<b>2709.67</b>	<b>1419.67</b>
<b>Shareholders' funds</b>		
Equity share capital	360.00	1956.60
Reserve and surplus - as restated	2,235.67	5805.07
<b>Total shareholders' funds</b>	<b>2,595.67</b>	<b>7761.67</b>
<b>Long term debt / shareholders funds (in Rs.)</b>	<b>0.61</b>	<b>0.17</b>
<b>Total debt / shareholders funds (in Rs.)</b>	<b>1.04</b>	<b>0.18</b>

\* Subject to finalization of the Basis of Allotment and amount of borrowings are consider after repayment of loan as per the object clause of fresh issue of shares.

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months
2. Long term Debts represent debts other than Short term Debts as defined above
3. The Company has issued 1,08,00,000 equity shares of Face Value of Rs. 10/- by way of bonus issue in the ratio of 3:1 on July 20, 2023.
4. The corresponding post issue figures are based on Auditor's Certificate dated October 31, 2023
5. While calculating the post issue shareholder's funds, we have considered the impact of fresh issue of 51,66,000 equity shares being offered through IPO at a price of ₹ 100/- per share. We've not taken impact of estimated issue expenses.
6. While calculating post-issue borrowings, we have only given the impact of repayment of debts of ₹ 1290 lakhs, which is to be utilized by the Company from the Issue proceeds.

## **SECTION VII – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on July 14, 2023 determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5.00% of the Company’s trade payables as per the last restated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated against the Company.

##### **(b) Criminal proceedings filed by the Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings filed by the Company.

##### **(c) Actions by statutory and regulatory authorities against the Company**

As on the date of this Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

##### **(d) Tax Proceedings**

<b>Nature of Proceedings</b>	<b>Number of cases</b>	<b>Amount involved* (Rs.)</b>
Direct Tax	1	Unascertainable#
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

*To the extent quantifiable*

*# The Company has been issued an Order under section 148A (d) of the Income Tax Act, 1961. According to the department, there has been an escape of assessment for an income (related to imported goods) amounting to Rs. 1,77,28,000/-. Subsequently, a notice has been issued under section 142 of the Income Tax Act, 1961, requiring to furnishing of documents related to the imported goods. As on date there is no demand which has been raised by the Income Tax department.*

##### **(e) Other pending material litigations against the Company**

As on the date of this Prospectus, there are no other pending material litigations against the Company.

##### **(f) Other pending material litigations filed by the Company**

As on the date of this Prospectus, there are no other pending material litigations filed by the Company.

#### **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**



**(a) Criminal proceedings against the Promoters & Directors of the Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the Company.

**(b) Criminal proceedings filed by the Directors of the Company**

As on the date of this Prospectus, there are no outstanding criminal proceedings filed by the Promoters & Directors of the Company.

**(c) Actions by statutory and regulatory authorities against the Directors of the Company**

As on the date of this Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors of the company.

**(d) Tax Proceedings**

<b>Tax Liability</b>	<b>Number of cases</b>	<b>Amount Involved* (Rs.)</b>
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

*\* To the extent quantifiable*

**(e) Other pending material litigations against the Promoters & Directors of the Company**

As on the date of this Prospectus, there are no other pending material litigations against the Promoters & Directors of the company.

**(f) Other pending material litigations filed by the Promoters & Directors of the Company**

As on the date of this Prospectus, there are no other pending material litigations filed by the Promoters & Directors of the company.

**AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company's trade payables as per the last Restated financial statements, to small scale undertakings and other creditors, as material dues for our Company. As per Restated Financial Statements, the trade payables of our Company as on June 30, 2023 were Rs. 1,434.22 lakhs. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds Rs. 71.71 lakhs as on June 30, 2023. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on July 14, 2023. As on March 31, 2023, there are 2 creditors to each of whom our Company owes amounts exceeding 5% of our Company's total trade payables and the aggregate outstanding dues to them being approximately Rs. 829.03 lakhs. As per the above materiality policy, the outstanding amount owned to small scale undertakings and material creditors as on June 30, 2023, by our Company is as follows:

<b>Material Creditors</b>	<b>Number of Cases</b>	<b>Amount Involved (₹ in Lakhs)</b>
Material Creditors	2	829.03
Other Creditors	119	605.19
<b>Total</b>	<b>121</b>	<b>1434.22</b>

*\*Entities that are identified as "Micro, Small and Medium Enterprises" under the Restated Financial Statements are considered as micro small and medium enterprises.*

The details pertaining to amounts due towards material creditors are available on the website of our Company at <https://www.paragonind.com/>

**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 201 of this Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## **GOVERNMENT AND OTHER APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/ regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.*

*The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.*

### **I. Approvals for the Issue:**

The following approvals have been obtained or will be obtained in connection with the Issue:

#### **Corporate Approvals:**

- a. Our Board, pursuant to its resolution dated July 14, 2023 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- b. The shareholders of our Company have, pursuant to their resolution passed at the Extraordinary General Meeting of our Company held on July 19, 2023 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated August 31, 2023.
- d. Our Board approved the Red Herring Prospectus pursuant to its resolution dated October 18, 2023.
- e. Our Board approved this Prospectus pursuant to its resolution dated October 31, 2023.

#### **Approval from the Stock Exchange:**

- f. In-principle approval dated October 17, 2023 from the NSE Emerge for using the name of the Exchange in the issue documents for listing of the Equity Shares issued by our Company pursuant to the issue.

#### **Agreements with NSDL and CDSL:**

- g. Agreement dated August 30, 2022 between CDSL, the Company and the Registrar to the Issue;
- h. Agreement dated August 30, 2022 between NSDL, the Company and the Registrar to the Issue;
- i. The Company's International Securities Identification Number ("ISIN") is INE0N4G01012

### **II. Incorporation related Approvals obtained by our Company:**

Sr. No	Nature of Registration/ License	CIN	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
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Sr. No	Nature of Registration/ License	CIN	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Incorporation as Paragon Fine and Speciality Chemical Private Limited	U24304GJ2018P TC105071	Companies Act, 2013	Registrar of Companies, Central Registration Centre	November 02, 2018	Valid till cancelled
2.	Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company	U24304GJ2018P LC105071	Companies Act, 2013	Registrar of Companies, Ahmedabad	August 23, 2022	Valid till Cancelled

### III. Corporate/General Authorizations:

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAKCP1837D	Income Tax Act, 1961	Commissioner of Income Tax	September 08, 2022	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	AHMP13454A	Income Tax Act, 1961	Income Tax Department	September 06, 2022	Valid until cancelled
3.	Certification of registration of Goods and Service tax	24AAKCP1837D1ZM	Goods and Services Tax Act, 2017	Government of India	October 04, 2022	Valid until cancelled
4.	Certificate of Importer-Exporter Code (IEC)	0804008639	The Foreign Trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade	October 13, 2004	Valid until cancelled
5.	Shop and Establishment Certificate	PII/JUDG/10000/0274910	Gujarat Shops and Establishment Act, 2019	Amdavad Municipal Corporation	May 20, 2022	Valid until cancelled
6.	Professional Tax Registration	PRC010674000945	The Gujarat State Tax on Professionals, Trades, Callings and Employments Act, 1976	Professional Tax Officer, Ahmedabad	May 18, 2022	Valid until cancelled
7.	GDMA Life Member Certificate	Membership No-L-1054	-	The Gujarat Dyestuff Manufacturers Association	November 17, 2022	Valid until cancelled
8.	Certificate of Recognition of One Star Export House	0804008639	Foreign Trade Policy, 2015-2020	Directorate General of Foreign Trade /Office of the Additional Director General of Foreign Trade, Ahmedabad	November 14, 2022	November 14, 2027

#### IV. Approvals obtained in relation to business operations of our Company:

Our Company requires various approvals and/or licenses to carry on our business. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	LEI Certificate	254900N33W0J03Z USE68	Companies Register (Ministry of Corporate Affairs) India RA000394	LEI Register India Private Limited	February 19, 2019	September 24, 2024
2.	Udyam Registration	UDYAM-GJ-01- 0066236	Micro, Small and Medium Enterprises Development Act, 2006	Ministry of Micro, Small and Medium Enterprise	May 12, 2021	Valid until cancelled
3.	Recognition of In-House R&D Unit		Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India	TU/IV- RD/4804/2022	June 23, 2022	March 31, 2025
4.	Membership Certificate	PXL/SSM/II/4842	Pharmaceuticals Export Promotion Council Of India	Pharmaceuticals Export Promotion Council Of India	July 10, 2023	March 31, 2024
5.	SME Certificate	-	-	SME Chamber of India	March 21, 2023	March 20, 2024
6.	CHEMEXCIL Membership Certificate	CHEM/AHD/P- 327/P-I/19-20/907	Basic Chemicals Cosmetics & Dyes Export Promotion Council	Basic Chemicals Cosmetics & Dyes Export Promotion Council	May 29, 2023	March 31, 2024
7.	Consolidated Consent Order and Authorisation From Gujarat Pollution Control Board	Consent Order no- AWH-113391	section 25 of the Water (Prevention & Control of Pollution) Act, 1974, Under section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation under Hazardous Wastes (Management, handling & Trans boundary movement) Rules 2008	Senior Environmental Engineer Gujarat Pollution Control Board (GPCB)	June 22, 2021	June 12, 2026
8.	Life membership certificate from	-	-	Gujarat Chemical	April 21, 2009	Valid until cancelled

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
	Gujarat Chemical Association			Association		
9.	Membership certificate from Gujarat Chamber of Commerce & Industry	35106	-	Gujarat Chamber of Commerce & Industry	May 22, 2022	March 31, 2025
10.	Membership certificate from Chhatral Environment management system Pvt. Ltd.			Chhatral Environment management system Pvt. Ltd.	February 12, 2020	-
11.	Certificate of Stability	P.P/S.T.C/2023/A-14(1)	Industrial Safety and Health Gujarat	Parth Parikh, Government Approved Valuer	April 14, 2023	April 13, 2028
12.	Factory License	9499/24119/2004	Factory Act 1948 and Rules made therein	Deputy Director Industrial Safety & health Ahmedabad	January 16, 2023	December 31, 2031
13.	Certificate for use of a boiler	CA032021-20220026093	Section 7/8 of the Boilers Act, No. V (Amended 2007) of 1923	Shri A N Chudasama /Assistant Director of Boilers	December 23, 2022	December 22, 2023
14.	License for manufacture / distribution / sale / purchase / possession / storage / consumption/ offer for sale or distribution or mediate in sale/ purchase through website, social media or in any other manner of controlled substance -Acetic Anhydride	AHCD0101038	The Narcotics Drugs and Psychotropic Substances (Regulation of Controlled Substances) Order, 2013	Narcotics Control Bureau, Ministry of Home Affairs, Govt of India	February 08, 2019	Valid until cancelled
15.	Environment clearance and Consolidated Consent and Authorization	SEIAA/GUJ/EC/5(f)/448/2023	Member Secretary Gujarat Pollution Control Board	State Level Environment Impact Assessment Authority Gujarat	April 19, 2023	Valid until cancelled
16.	Eco Care Membership Certificate	ECIPL-295	Solid Waste Disposal Facility	Ecocare Infrastructures Pvt. Ltd.	March 01, 2023	February 28, 2026
17.	Certificate of Verification of the weights, measures, etc	SR. no.055	Legal Metrology Act, 2009.	Office of the Legal Metrology controller, Gujarat State, Legal Metrology	June 21, 2023	June 21, 2024

Sr. No.	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
				Act, 2009.		
18.	Methanol Certificate	MTHL/5-2/2023/4729 No.145/23-25	Mumbai Prohibition Act, 1949 (25th of Mumbai of 1949)	The office of the Superintendent of Narcotics and Excise Ahmedabad	April 01, 2023	March 31, 2025
19.	UN Certificate for Dye, Solid, Toxic Dye intermediate, Solid, Toxic	Certificate Serial No: 05180	The International Maritime Dangerous Goods Code	Indian Institute of Packaging	April 17, 2023	October 09, 2024
20.	UN Certificate for Corrosive Solid, Acidic, Organic, Toxic solid, organic, Environmentally hazardous Substance, solid.	Certificate Serial No: 04154	The International Maritime Dangerous Goods Code	Indian Institute of Packaging	June 27, 2022	December 16, 2023
21.	UN Certificate For Corrosive Solid, Aminophenols Alkylsulphonic Acids, Solid or Copper chloride, toxic solid, organic	Certificate Serial No: 82303	The International Maritime Dangerous Goods Code	Indian Institute of Packaging	November 09, 2022	April 11, 2024
22.	UN Certificate for Corrosive Solid, Chloronitroanilines, Aminophenols, Alkylsulphonic Acids, Solid, Nitrotoluidines (mono), organophosphorus pesticide, solid, Toxic toxic solid, organic, environmentally hazardous Substance, solid,. Dye, solid, toxic, n.o.s. Or dye Intermediate, solid, toxic, dye, solid, corrosive, Amines, solid, corrosive, polyamines, solid, corrosive, corrosive solid, acidic, organic	Certificate Serial No: 83960	The International Maritime Dangerous Goods Code	Indian Institute of Packaging	July 11, 2023	December 27, 2024
23.	UN Certificate for Environmentally Hazardous Substance, Solid.	Certificate Serial No: 13302	The International Maritime Dangerous Goods Code	Indian Institute of Packaging	January 24, 2023	July 10, 2024

**V. Labour related Approvals obtained by our Company:**



Sr. No.	Nature of Registration/License	Registration/License No.	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Registration under ESIC	37001521620000304	Employees State Insurance Act, 1948	Regional Office , Ahmedabad	August 23, 2023	Valid until cancelled
2.	Registration under Employees' Provident Funds	GJAHD3048758000	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Regional Office , Ahmedabad	August 24, 2023	Valid until cancelled

**VI. Quality Certifications Approvals obtained by our Company:**

Sr. No.	Description	Registration/License No.	Nature of Registration	Issuing Authority	Date of Issue	Date of Expiry
1	ISO 9001:2015	IND/QMS/NA B-C0115B/RC3/2 284	Quality Management System for the following scope of activities: Manufacture and supply of chemical intermediates & dyes stuff	Integrated Quality Certification Private Limited	November, 03 2022	November 02, 2025
2	ISO 45001:2018	2023011356	Occupational, health and Safety Management System for following scope of activities: Manufacture and supply of chemical intermediates & dyes stuff.	Head of Certification, QRO certification Limited, London, UK	January 13, 2023	January 12, 2026
3	ISO 14001:2015	2023011355	Environmental Management System for following scope of activities: Manufacture and supply of chemical intermediates & dyes stuff.	Head of Certification, QRO certification Limited, London, UK	January 13, 2023	January 12, 2026
4	SA 8000:2014	2022051031	Social Accountability Management System for following scope of activities: Manufacture and supply of chemical intermediates & dyes stuff.	Eurocert Inspection Limited, Cardiff, UK	September 20, 2022	May 09, 2025

**VII. Intellectual Property Related Approvals**



Sr No.	Name Applied	Nature	Application Date	Application Number	Class	Present Status
1.	Paragon Fine And Speciality Chemical Private Limited 	Trademark	June 27, 2022	5506051	1	Opposed
2.	Paragon Fine And Speciality Chemical Private Limited 	Trademark	June 27, 2022	5506052	35	Opposed
3	ENERGISING CHEMISTRY	Wordmark	August 29, 2023	9170204	1	Applied
4	ENERGISING CHEMISTRY	Wordmark	August 29, 2023	9170234	35	Applied

#### VIII. Applications yet to be applied

1. The company shall make an application for updation of following approvals upon purchases of additional plant & machinery to be installed in existing factory premises:
  - a. Consolidated Consent Order and Authorisation From Gujarat Pollution Control Board
  - b. Environment clearance and Consolidated Consent and Authorization from State Level Environment Impact Assessment Authority Gujarat

## **OUR GROUP COMPANY**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those company as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and other as considered material by our Board. Further, pursuant to a resolution of our Board dated July 14, 2023 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as Group Company if such company fulfils both the below mentioned conditions:-

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“Restated Financial Statements”); or
- b. if such company fulfils both the below mentioned conditions: -
  - i. Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and
  - ii. Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

Except as stated, there are no companies/entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group company/entity.

1. Hindparagon Polyresin Private Limited

### **Details of our Group Company:**

#### **1. Hindparagon Polyresin Private Limited**

Hindparagon Polyresin Private Limited was incorporated on December 15, 2021 under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre

<b>CIN</b>	U24290GJ2021PTC128012
<b>PAN</b>	AAGCH0880E
<b>Address</b>	310, Plot No.10/6, Phase-I G.I.D.C., Vatva, Ahmedabad, 11-Gujarat, 91-India- 382445

### **Financial Information**

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and Net Asset Value, derived from the latest audited financial statements of our group company are available on the website of our company at [www.paragonind.com](http://www.paragonind.com)

It is clarified that such details available on our group company’s websites do not form a part of this Prospectus. Anyone placing reliance on any other source of information, including our Group Company website, as mentioned above, would be doing so at their own risk.

### **Other Confirmations:**

- a) None of our Group Company is listed on any stock exchange nor any of the Group Company has made any public and/or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Company is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Company.
- c) None of the above-mentioned Group Company is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

### **Common pursuits**

There are no common pursuits among our Group Company and our Company.

### **Nature and extent of interest of our Group Company**

#### **a) Interest in the promotion of our Company**

None of our Group Company has any interest in the promotion of our Company.

#### **b) Interest in the property acquired or proposed to be acquired by the Company**

None of our Group Company is interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

#### **c) Interest in transactions for acquisition of land, construction of building, or supply of machinery**

None of our Group Company is interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

### **Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “*Financial Information –Related Party Transactions*” on page 188 there are no related business transactions between the Group Company and our Company.

### **Business interest of our Group Companies in our Company**

Except as disclosed in the section “*Financial Information –Related Party Transactions*” on page 188, our Group Company has no business interests in our Company.

### **Litigations**

Our Group companies do not have any pending litigation which can have a material impact on our company.

### **Undertaking / Confirmations by our Group Company**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies/Promoter Group entities have been declared as a willful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

*The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e. [www.paragonind.com](http://www.paragonind.com)*

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue:**

### **Corporate Approvals:**

The Board of Directors, pursuant to a resolution passed at their meeting held on July 14, 2023 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extraordinary General Meeting held on July 19, 2023 authorized the Issue.

### **In-principle Approval:**

Our Company has obtained in-principle approval from the NSE Emerge (SME Platform) for using its name in the Offer Documents pursuant to an approval letter dated October 17, 2023 NSE is the Designated Stock Exchange.

### **Prohibition by SEBI or other Governmental Authorities:**

We confirm that there is no prohibition on our Company, our Promoters, our Promoter Group, our Directors, or the person(s) in control of our Company from accessing or operating in the Capital Markets or debarment from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any securities market regulator in any other jurisdiction or any other authority/ court.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoters, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other regulatory or governmental authority.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter *“Outstanding Litigations and Material Development”* beginning on page 213 of this Prospectus.

### **Association with Securities Market:**

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors in the past 5 years.

### **Prohibition by RBI:**

Neither our Company, our Promoters, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender or a fraudulent borrower and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter *“Outstanding Litigations and Material Development”* beginning on page 213 of this Prospectus.

### **Prohibition with respect to wilful defaulters or a fraudulent borrower:**

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018:**

Under the SBO Rules certain persons who are ‘significant beneficial owners’, are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Prospectus, there are no such significant beneficial owners in our Company.

### **Eligibility for the Issue:**

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than 10 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “NSE Emerge”).

### **We confirm that:**

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the BRLM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled “*General Information – Underwriting*” beginning on page 53 of this Prospectus.
- b) In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
- c) In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our BRLM submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
- d) In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the BRLM and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the NSE Emerge. For further details of the arrangement of market making please refer to section titled “*General Information – Details of the Market Making Arrangements for this Issue*” beginning on page 53 of this Prospectus.
- e) In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
- f) In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
- g) In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to NSE Emerge and National Stock Exchange of India Limited is the Designated Stock Exchange.
- h) In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.

- i) In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid-up.
- j) In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated August 30, 2022 and National Securities Depository Limited dated August 30, 2022 for establishing connectivity.
2. Our Company has a website i.e. [www. paragonind.com](http://www.paragonind.com)
3. There has been no change in the promoters of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge:-

1. Our company was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of “M/s. Devarshi Dyechem, pursuant to a deed of partnership dated February 02, 2003, entered between Manubhai Mongabhai Prajapati, Sureshbhai Natvarlal Patel and Kusumben Prahladbhai Patel. Thereafter, the said partnership firm was purchased by two of our existing promoters, Vallabh Ratanji Savaliya and Pravinbhai Panchabhai Patolia along with Pravinchandra Jasmat Vasolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha pursuant to a deed of partnership dated February 26, 2004. The name of the partnership firm was then changed to M/s. Paragon Industries. Thereafter a deed of partnership dated April 04, 2009 was entered to admit Kishor Panchabhai Patolia and to retire Pravinbhai Panchabhai Patolia, Manubhai Mongabhai Prajapati and Mukeshbhai Rudabhai Buha as partners. Later a deed of partnership dated November 20, 2017 was executed to admit Bansari Kishor Patolia, Priyadarshna Kishorkumar Patolia, Nitaben Pravinchandra Vasolia and Heamanshi Pravinbhai Vasoliya as partners in the existing partnership firm. Further, “M/s Paragon Industries” was converted from partnership firm to a Private Limited Company under Part XXI of the Companies Act, 2013 in the name of “Paragon Fine And Speciality Chemical Private Limited” vide Certificate of Incorporation dated November 02, 2018 bearing registration no. 105071 issued by Registrar of Companies, Central Registration Centre bearing CIN U24304GJ2018PTC105071. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on July 15, 2022 and consequently the name of our Company was changed from “Paragon Fine And Speciality Chemical Private Limited” to “Paragon Fine And Speciality Chemical Limited” vide a fresh certificate of incorporation dated August 23, 2022 issued by the Registrar of Companies, Ahmedabad bearing CIN U24304GJ2018PLC105071.
2. The post issue paid up capital of the company will be 1,95,66,000 equity shares of face value of Rs.10/- aggregating up to Rs. 1,956.60 which is less than Rs. 25 Crores.
3. The Company has a track record of at least 3 years as on the date of filing Prospectus.
4. The company confirms that it has operating profit (earnings before interest, depreciation and tax) from operations for at least any 3 financial years preceding the application and its net-worth as on June 30, 2023, March 31, 2023, March 31, 2022, March 31, 2021.

Particulars	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Worth	2,595.67	2233.52	1244.31	795.29
Operating Profit (EBITDA)	521.78	1277.13	560.37	615.70

5. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, group companies, companies promoted by the promoter of the Company.
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
7. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
8. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
9. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 31, 2023.**

**THE FILING OF THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENTS/ OFFER DOCUMENTS.**

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies, Ahmedabad, Gujarat in terms of sections 26, 32 and 33 of the Companies Act, 2013.

#### **Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> days from

						listing	listing	calendar days from listing
1.	Vasa Denticity Limited	54.06	128.00	June 02, 2023	211.00	156.13% [3.53%]	295.12% [3.88%]	N.A.
2.	Hemant Surgical Industries Limited	24.84	90.00	June 05, 2023	171.00	34.30% [4.23%]	40.41% [4.52]	N.A.
3.	Greenchef Appliances Limited	53.62	87.00	July 06, 2023	104.00	28.91% [0.51%]	21.72% [-0.31%]	N.A.
4.	Kaka Industries Limited	21.23	58.00	July 19, 2023	110.20	170.78% [-3.20%]	224.57% [-1.00]	N.A.
5.	Asarfi Hospital Limited	26.94	52.00	July 26, 2023	98.80	154.04% [-2.73%]	84.52 [-3.98]	N.A.
6.	Kahan Packaging Limited	5.76	80.00	September 15, 2023	152.00	41.19% [-2.46%]	N.A.	N.A.
7.	Madhusudan Masala Limited	23.80	70.00	September 26, 2023	120.00	65.42 [-4.11]	N.A.	N.A.
8.	Saakshi Medtech And Panels Limited	45.16	97.00	October 03, 2023	146.00	N.A.	N.A.	N.A.
9.	Arabian Petroleum Limited	20.24	70.00	October 09, 2023	77.40	N.A.	N.A.	N.A.
10.	E Factor Experiences Limited	25.92	75.00	October 09, 2023	115.00	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

1) The scrip of Vasa Denticity Limited, Hemant Surgical Industries Limited, Greenchef Appliances Limited and Kaka Industries Limited has not completed its 180<sup>th</sup> days from the date of listing; Asarfi Hospital Limited and Kahan Packaging Limited has not completed its 90<sup>th</sup> day from the date of listing Madhusudan Masala Limited, Saakshi Medtech And Panels Limited, Arabian Petroleum Limited, E Factor Experiences Limited has not completed its 30<sup>th</sup> day from the date of listing.

#### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing	No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing	No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing	No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing



		raised (₹ Cr.)	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	6 <sup>(1)</sup>	130.40	-	-	-	4	-	2	-	-	-	6	-	-
2022-23	15 <sup>(2)</sup>	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	10 <sup>(3)</sup>	301.57	-	-	-	4	3	-	-	-	-	-	-	-

- 1) *The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively;*
- 2) *The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;*
- 3) *The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023 and E Factor Experiences Limited was listed on October 09, 2023.*

**Note:**

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- N.A. – Period not completed.
- As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

**Track Record of past issues handled by Hem Securities Limited:**

For details regarding track record of BRLM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the BRLM at: [www.hemsecurities.com](http://www.hemsecurities.com)

**Disclaimer from our Company and the Book Running Lead Manager:**

Our Company, its Directors and the BRLM accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the agreement entered between the BRLM (Hem securities Limited) and our Company on August 12, 2023 and the Underwriting Agreement dated October 12, 2023 entered into between the Underwriters and our Company and the Market Making Agreement dated October 12, 2023 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

**Disclaimer in Respect of Jurisdiction:**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Ahmedabad, Gujarat only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause of the NSE Emerge of NSE:**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2693 dated October 17, 2023, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized 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 Clause under Rule 144A of the U.S. Securities Act:**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing**

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

The Draft Red Herring Prospectus was not filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

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

**Listing:**

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated October 17, 2023 for listing of equity shares on NSE Emerge.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the NSE Emerge is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such

timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

**Impersonation:**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- iii. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013.

**Consents:**

Consents in writing of (a) Our Directors, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Peer Review Auditor, Banker to the Company; (b) Book Running Lead Manager, Syndicate Member, Registrar to the Issue, Banker to the Issue (Sponsor Bank)\*, Legal Advisor to the Issue, Advisor to the issue, Underwriter to the Issue and Market Maker to the Issue\* to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of filing of the Prospectus with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. Surana Maloo & Co, Chartered Accountants, Statutory Auditor and M/s. K A R M A & Co. LLP, Chartered Accountants, Peer review Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and Restated Financial Statements as included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Prospectus.

**Expert Opinion:**

Except for the reports mentioned in the section titled *“Financial Information of the Company”* and *“Statement of Special Tax Benefits”* on page 157 and page 86, our company has not obtained any expert opinions except we have received consent from the Peer Review Auditors of the Company to include their name as an expert in this Prospectus in relation to the (a) Peer Review Auditor’s Report on the Restated Financial Statements; and (b) Statement of Tax Benefits (c) Statement of Financial Indebtedness and such consent has not been withdrawn as on the date of this Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

**Fees, Brokerage and Selling Commission payable:**

The total fees payable to the Book Running Lead Manager will be as per the (i) Issue Agreement dated August 12, 2023 with the Book Running Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated October 12, 2023 with Underwriter and (iii) the Market Making Agreement dated October 12, 2023 with 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 Prospectus until the Issue Closing Date.

**Fees Payable to the Registrar to the Issue:**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated August 17, 2023 a copy of which is available for inspection at our Company's registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/ speed post.

**Particulars regarding Public or Rights Issues during the last five (5) years:**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Prospectus.

**Previous issues of Equity Shares otherwise than for cash:**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 56 of this Prospectus.

**Underwriting Commission, brokerage and selling commission on Previous Issues:**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares in last five (5) years.

**Performance vis-a-vis objects – Public/ Right issue of our Company:**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 56. Our company has not undertaken any previous public or right issue.

**Performance vis-a-vis objects – Last Issue of Subsidiary Companies:**

As on the date of this Prospectus, our Company does not have any Subsidiary.

**Option to Subscribe:**

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares:**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

**Partly Paid-Up Shares**

As on the date of this Prospectus, there are no partly paid-up Equity Shares of our Company.

**Outstanding Convertible Instrument**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.

## **Stock Market Data of the Equity Shares**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

## **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of this Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

## **Disposal of Investor Grievances by our Company:**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Vrunda Upendra Dattani, Company Secretary as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Vrunda Upendra Dattani  
**Company Secretary & Compliance Officer**  
Paragon Fine And Speciality Chemical Limited,  
1001/1, Parshwa Tower, Near Pakvan Hotel,  
S.G. Highway, Bodakdev, Ahmedabad,  
Gujarat-380054, India  
Tel. No.: +917935335483  
Email: [cs@paragonind.com](mailto:cs@paragonind.com)  
Website: [www.paragonind.com](http://www.paragonind.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in). Our Board by a resolution on August 09, 2023 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled “*Our Management*” beginning on page 132 of this Prospectus.

## **Status of Investor Complaints:**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company:**

We do not have any listed company under the same management.

**Tax Implications:**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled **“Statement of Special Tax Benefits”** beginning on page 86 of this Prospectus.

**Purchase of Property:**

Other than as disclosed in Section **“Our Business”** beginning on page 104 there are 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 Prospectus.

Except as stated elsewhere in this Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

**Capitalization of Reserves or Profits:**

Except as disclosed under section titled **“Capital Structure”** beginning on page 56 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

**Revaluation of Assets:**

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

**Servicing Behavior:**

Except as stated in this Draft, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of our Company:**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled **“Our Management”** beginning on page 132 and chapter titled **“Financial Information”** beginning on page 157 none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any:**

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

## **SECTION VIII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/ or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/ or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors (“UPI Phase III”), as may be prescribed by SEBI.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

#### **Authority for the Issue**

The present Public Issue of up to 51,66,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on July 14, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extraordinary General Meeting held on July 19, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, “**Main Provisions of Article of Association**”, beginning on page 272 of this Prospectus.



## **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI Listing Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled **“Dividend Policy”** and **“Main Provisions of Article of Association”** beginning on page 156 and 272 respectively of this Prospectus.

## **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10.00 and the Issue Price at the lower end of the Price Band is ₹ 95/- per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ 100/- per Equity Share (“Cap Price”). The Anchor Investor Issue Price is ₹ 100/- per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Business Standard, an English national daily newspaper and all editions of Business Standard, a Hindi national daily newspaper and Ahmedabad Edition of Regional newspaper Ahmedabad Express (Gujarati), a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## **ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; and
- h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI Listing Regulations, MOA and AOA of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled **“Main Provisions of the Articles of Association”** beginning on page 272 of this Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated August 30, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated August 30, 2022 between CDSL, our Company and Registrar to the Issue.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of 1200 Equity Shares and the same may be modified by the NSE Emerge (SME platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 1200 Equity Shares is subject to a minimum allotment of 1200 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Ahmedabad, Gujarat, India.

**The Equity Shares have not been and will not be registered under the U.S Securities Act, 1933 or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the U.S. Securities Act, 1933 and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity

Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Corporate Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **Period of Subscription List of Public Issue**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Issue Opening Date	Thursday, October 26, 2023
Bid/ Issue Closing Date	Monday, October 30, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Thursday, November 02, 2023
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account*	On or about Friday, November 03, 2023
Credit of Equity Shares to Demat Accounts of Allottees	On or about Monday, November 06, 2023
Commencement of Trading of The Equity Shares on the Stock Exchange	On or about Tuesday, November 07, 2023

\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

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

Application Forms and any revisions to the same was 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.

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.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled **“General Information - Underwriting”** on page 53 of this Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above Rs. 25.00 Crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board. Or

If the Paid-up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores and if the company fulfils the eligibility criteria for listing laid down by the main board, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the NSE Emerge (SME platform of NSE), wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE.

For further details of the agreement entered into between the Company the BRLM and the Market Maker please refer to section titled **“General Information - Details of the Market Making Arrangements for this Issue”** on page 53 of this Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 1200 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of NSE.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue:**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoters minimum contribution in the Issue as detailed under section titled **“Capital Structure”** beginning on page 56 of this Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled **“Main Provisions of the Articles of Association”** beginning on page 272 of this Prospectus.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

In the pre-Issue advertisement, we stated the Bid/Issue Opening Date and the Bid/Issue Closing Date and the floor price or

price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule X of the SEBI Regulations.

**Allotment Advertisement:**

Our Company, the BRLM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of the English national newspaper i.e. Business Standard, all editions of Hindi national newspaper i.e. Business Standard and Ahmedabad Edition of Regional newspaper Ahmedabad Express (Gujarati) with wide circulation where our Registered office is located.

**Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The BRLM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“*SME Exchange*”), in this case being the NSE Emerge. For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 237 and 247 of this Prospectus.

### **Issue Structure:**

Initial Public Issue of upto 51,66,000 Equity Shares of ₹10 each (*the “Equity Shares”*) for cash at a price of ₹ 100/- per Equity Share (including a Share Premium of ₹ 90/- per Equity Share), aggregating up to ₹ 5,166.00 Lakhs (*“the Issue”*) by the issuer Company (*the “Company”*).

The Issue comprises a reservation of upto 2,61,600 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (*“the Market Maker Reservation Portion”*) and Net Issue to Public of upto 49,04,400 Equity Shares of ₹ 10 each (*“the Net Issue”*). The Issue and the Net Issue will constitute 26.40% and 25.07%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

<b>Particulars of the Issue<sup>(2)</sup></b>	<b>Market Maker Reservation Portion</b>	<b>QIBs<sup>(1)</sup></b>	<b>Non-Institutional Investors</b>	<b>Retail Individual Investors</b>
<b>Number of Equity Shares available for allocation</b>	Upto 2,61,600* Equity Shares	Not more than 24,51,600* Equity Shares	Not less than 7,35,600* Equity Shares	Not less than 17,17,200* Equity Shares
<b>Percentage of Issue Size available for allocation</b>	5.06% of the Issue Size	Not more than 50% of the Net Issue	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
<b>Basis of Allotment<sup>(3)</sup></b>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to 9,81,600 Equity Shares was made available for allocation on a proportionate basis to all QIBs ; and  (b) 14,70,000 Equity Shares was allocated on a proportionate basis to Anchor Investors.	Proportionate basis subject to minimum allotment of 1200 Equity Shares and further allotment in multiples of 1200 Equity Shares	Proportionate basis subject to minimum allotment of 1200 Equity Shares
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	2,61,600 Equity Shares	Such number of Equity Shares and in multiples of 1200 Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of 1200 Equity Shares that the Bid Amount exceeds ₹200,000	1200 Equity Shares
<b>Maximum Bid Size</b>	2,61,600 Equity Shares	Such number of Equity Shares in multiples of 1200 Equity Shares not exceeding the size of the Net Issue, subject to	Such number of Equity Shares in multiples of 1200 Equity Shares not	Such number of Equity Shares in multiples of 1200 Equity Shares so that the Bid Amount does

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		applicable limits	exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits	not exceed ₹200,000
<b>Trading Lot</b>	1200 Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	1200 Equity Shares and in multiples thereof	1200 Equity Shares and in multiples thereof	1200 Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment

\* Subject to finalization of basis of allotment

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, has allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- (4) Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “**Issue Procedure - Bids by FPIs**” on pages 247 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.

### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.



The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

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

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

### **Issue Program**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Issue Opened Date	Thursday, October 26, 2023
Bid/ Issue Closed Date	Monday, October 30, 2023
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about Thursday, November 02, 2023
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or about Friday, November 03, 2023
Credit of Equity Shares to Demat accounts of Allottees	On or about Monday, November 06, 2023
Commencement of trading of the Equity Shares on the Stock Exchange	On or about Tuesday, November 07, 2023

*Our Company in consultation with the Book Running Lead Manager, has considered participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*

## **ISSUE PROCEDURE**

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

*All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.*

*Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI*

*Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus.*

*This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.*

### ***Phased implementation of Unified Payments Interface***

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

### **PART A**

#### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be

available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

### **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 Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors were not permitted to participate in the issue through the ASBA process.**

The prescribed colour of the Bid cum Application Form for various categories is as follows:

<b>Category</b>	<b>Colour*</b>
Anchor Investor**	White
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*\*Excluding Electronic Bid cum Application Form*

*\*\* Bid cum application for Anchor Investor was 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 captured and uploaded 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 Prospectus.

The Bid Cum Application Form contained information about the Bidder and the price and the number of Equity Shares that the Bidders wished 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 were 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, submitted a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, were also required 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 was done by:

<b>For Applications submitted by Investors to SCSB</b>	After accepting the form, SCSB shall captured and uploaded the relevant details in the electronic bidding system as specified by the stock exchange and began 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 captured and uploaded the relevant details in the electronic bidding system of the stock exchange. Post uploading, they forwarded 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 captured and uploaded the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shared 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 initiated 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 validated 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 allowed 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 Prospectus, without prior or subsequent notice of such changes to the Bidders.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

#### **Participation by Promoters and members of the Promoter Group of our Company, the Book Running Lead Manager and the Syndicate Members**

The Book Running Lead Managers and the Syndicate Member were not allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Member could Bid for Equity Shares in the Issue, either in the QIB Portion or in the Non- Institutional Portion as was applicable to such Bidders, where the allocation is on a proportionate basis and such subscription could be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Member, were required to be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associates of the Book Running Lead Managers could apply in the Issue under the Anchor Investor Portion:

- i. mutual funds sponsored by entities which are associate of the Book Running Lead Managers;
- ii. insurance companies promoted by entities which are associate of the Book Running Lead Managers;
- iii. AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or
- iv. FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the Book Running Lead Managers.

Further, persons related to our Promoters and Promoter Group did not apply in the Issue under the Anchor Investor Portion.

- i. rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;
- ii. veto rights; or
- iii. right to appoint any nominee director on the Board.

Further, an Anchor Investor was deemed to be an associate of the Book Running Lead Managers, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the Book Running Lead Managers.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of 1200 Equity Shares, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

## **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of 1200 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

### **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**

The relevant Designated Intermediary could enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It was the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she was required to surrender the earlier Acknowledgement Slip and request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 the Red Herring Prospectus and this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, has considered 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 were eligible to invest. The QIB Portion has reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares has been 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 were made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid were for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 lakhs.

- 3) Bidding for Anchor Investors opened one Working Day before the Bid/ Issue Opening Date and be completed on the same day.

Our Company in consultation with the BRLM, finalized allocation to the Anchor Investors on a discretionary basis, and accordingly 14,70,000 equity shares were allocated to Anchor Investors.

- 4) Allocation to Anchor Investors was completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 5) Anchor Investors did not withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 6) 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.
- 7) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 8) 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.
- 9) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 10) Anchor Investors were 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 was treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs:**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES:**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of

- investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as

amended (the “Banking Regulation Act”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks’ own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks’ interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company’s paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB’S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders had to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager were not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Bidders were 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 were 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 ₹ 100/- 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, decided the list of Anchor Investors to whom the CAN was sent, pursuant to which the details of the Equity Shares allocated to them in their respective names was notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account was drawn in favour of:

- a. In case of resident Anchor Investors: PARAGON FINE AND SPECIALITY CHEMICAL LIMITED- ANCHOR ACCOUNT R
- b. In case of Non-Resident Anchor Investors: PARAGON FINE AND SPECIALITY CHEMICAL LIMITED - ANCHOR ACCOUNT NR

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

#### **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.

### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC**

- a) Our company has entered into an Underwriting Agreement dated October 12, 2023  
b) A copy of Red Herring Prospectus was filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company has, after filing the Red Herring Prospectus with the ROC, published a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we have stated 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, was in the format prescribed in Part A of Schedule X of the SEBI Regulations.

### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Issue period and withdraw their Bids until Bid/issue Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations

- or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
  12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
  13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
  14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
  15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
  16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the Issue document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net Issue to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

### **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.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;



- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- 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 RHP;
- 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 GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of

Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the 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 Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The 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 17,17,200 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 17,17,200 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of 1200 Equity Shares and in multiples of 1200 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 7,35,600 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 7,35,600 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

Not more than 50% of the Net Issue shall be allocated on a proportionate basis to QIBs, provided that 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, 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-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

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:

- a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than 5% 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, not allocated to Mutual Funds was made available for Allotment to all QIB Bidders (other than Anchor Investors), including Mutual funds, subject valid bids being received at or above the Issue Price as set out in (b) below;

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;  
a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
    - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (SME platform of NSE) (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 1200 equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted 1200 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.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- .Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director/ Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares

to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

**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 (SME platform of NSE) where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

**Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

**Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

**“Any person who-**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter 's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/ RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated August 30, 2022 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated August 30, 2022 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No INE0N4G01012

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect,



regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognized stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Offer in any member State of the

European Economic Area which has implemented the Prospectus Directive except for any such Issue made under exemptions available under the Prospectus Directive, provided that no such Issue shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY**

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on July 15, 2022 In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

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.

### **Interpretation Clause**

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) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.
- c) "Auditors" means and includes those persons appointed as such for the time being of the Company.
- d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.
- e) "The Company" shall mean **PARAGON FINE AND SPECIALITY CHEMICAL 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.
- g) "Legal Representative" means a person who in law represents the estate of a deceased Member.
- h) Words importing the masculine gender also include the feminine gender.
- i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.
- j) The marginal notes hereto shall not affect the construction thereof.
- k) "Meeting" or "General Meeting" means a meeting of members.
- l) "Month" means a calendar month.
- m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.
- n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.
- o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.
- p) "Non-retiring Directors" means a director not subject to retirement by rotation.
- q) "Office" means the registered Office for the time being of the Company.
- r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.
- s) "Person" shall be deemed to include corporations and firms as well as individuals.
- 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.
- u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.
- v) "Seal" means the common seal for the time being of the Company.

- w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.
- x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.
- y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.
- z) "Variation" shall include abrogation; and "vary" shall include abrogate.
- aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.

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.

## **CAPITAL**

### **Authorized Capital.**

3. 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.

### **Increase of capital by the Company how carried into effect**

4. 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.

### **New Capital same as existing capital**

5. 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.

### **Non Voting Shares**

6. 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.

### **Redeemable Preference Shares**

7. 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.

### **Voting rights of preference shares**

8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

### **Provisions to apply on issue of Redeemable Preference Shares**

9. 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;
- (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;

(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 55of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and

(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

### **Reduction of capital**

10. The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce

(a) the share capital;

(b) any capital redemption reserve account; or

(c) any security premium account

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.

### **Debentures**

11. 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.

### **Issue of Sweat Equity Shares**

12. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.

### **ESOP**

13. 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.

### **Buy Back of shares**

14. 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.

### **Consolidation, Sub-Division and Cancellation**

15. Subject to the provisions of Section 61of 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 diminish the amount of its share capital by the amount of the shares so cancelled.

### **Issue of Depository Receipts**

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.

### **Issue of Securities**

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.

### **MODIFICATION OF CLASS RIGHTS**

#### **Modification of rights**

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.

#### **New Issue of Shares not to affect rights attached to existing shares of that class.**

(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 pari passu therewith.

#### **Shares at the disposal of the Directors.**

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.

#### **Power to issue shares on preferential basis.**

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.

#### **Shares should be Numbered progressively and no share to be subdivided.**

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.

#### **Acceptance of Shares**

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.

#### **Directors may allot shares as full paid-up**

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 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.

**Deposit and call etc. to be a debt payable immediately**

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.

**Liability of Members.**

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.

**Registration of Shares.**

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.

**RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT**

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

**CERTIFICATES**

**Share Certificates.**

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 Members against the name of the person, to whom it has been issued, indicating the date of issue.

(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.

(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.

**Issue of new certificates in place of those defaced, lost or destroyed.**

29. 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. 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. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

**The first named joint holder deemed Sole holder.**

30. (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.

**Maximum number of joint holders.**

(b) The Company shall not be bound to register more than three persons as the joint holders of any share.

**Company not bound to recognise any interest in share other than that of registered holders.**

31. 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.

**Installment on shares to be duly paid.**

32. 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.

**UNDERWRITING AND BROKERAGE**

**Commission**

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.

**Brokerage**

34. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

**CALLS**

**Directors may make calls**

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.

**Notice of Calls**

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.

**Calls to date from resolution.**

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.

**Calls on uniform basis.**

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.

**Directors may extend time.**

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.

**Calls to carry interest.**

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.

**Sums deemed to be calls.**

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.

**Proof on trial of suit for money due on shares.**

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 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.

**Judgment, decree, partial payment motto proceed for forfeiture.**

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.

**Payments in Anticipation of calls may carry interest**

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.

## **LIEN**

### **Company to have Lien on shares.**

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.

### **As to enforcing lien by sale.**

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 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.

### **Application of proceeds of sale.**

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.

## **FORFEITURE AND SURRENDER OF SHARES**

### **If call or installment not paid, notice maybe given**

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.

**Terms of notice**

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.

**On default of payment, shares to be forfeited.**

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.

**Notice of forfeiture to a Member**

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.

**Forfeited shares to be property of the Company and maybe sold etc**

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.

**Members still liable to pay money owing at time of forfeiture and interest.**

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 at the date of the forfeiture, but shall not be under any obligation to do so.

**Effect of forfeiture.**

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.

**Evidence of Forfeiture.**

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.

**Title of purchaser and allottee of Forfeited shares.**

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.

**Cancellation of share certificate in respect of forfeited shares.**

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.

**Forfeiture may be remitted.**

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.

**Validity of sale.**

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.

**Surrender of shares**

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.

**TRANSFER AND TRANSMISSION OF SHARES**

**Execution of the instrument of shares**

61. (a) 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.

**Transfer Form.**

62. 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.

The instrument of transfer shall be in a common form approved by the Exchange;

**Transfer not to be registered except on production of instrument of transfer.**

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, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, 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.

**Directors may refuse to register transfer.**

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;

**Notice of refusal to be given to transferor and transferee.**

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.

**No fee on transfer.**

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.

**Closure of Register of Members or debenture holder or other security holders.**

67. The Board of Directors shall have power on giving not less than seven days previous 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.

**Custody of transfer Deeds.**

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.

**Application for transfer of partly paid shares.**

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.

**Notice to transferee.**

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.

**Recognition of legal representative.**

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 recognizing any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.

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

(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.

**Titles of Shares of deceased Member.**

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.

**Notice of application when to be given**

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.

**Registration of persons entitled to share otherwise than by transfer. (transmission clause).**

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'.

**Refusal to register nominee.**

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.

**Board may require evidence of transmission.**

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.

**Company not liable for disregard of a notice prohibiting registration of transfer.**

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 (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.

**Form of transfer Outside India.**

78. 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.

No transfer to insolvent etc.

79. No transfer shall be made to any minor, insolvent or person of unsound mind.

**NOMINATION**

**Nomination**

80. 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.

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

iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.

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.

#### **Transmission of Securities by nominee**

81. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

(i) to be registered himself as holder of the security, as the case may be; or

(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;

(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;

(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.

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.

### **DEMATERIALISATION OF SHARES**

#### **Dematerialization of Securities**

82. Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.

### **JOINT HOLDER**

#### **Joint Holders**

83. 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.

Joint and several liabilities for all payments in respect of shares

84. (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.

#### **Title of survivors.**

(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;

#### **Receipts of one sufficient.**

(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

#### **Delivery of certificate and giving of notices to first named holders.**

(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 be deemed to be service on all the holders.

## SHARE WARRANTS

### Power to issue share warrants

85. 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.

### Deposit of share warrants

86. (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.

### Privileges and disabilities of the holders of share warrant

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.

### Issue of new share warrant coupons

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.

## CONVERSION OF SHARES INTO STOCK

### Conversion of shares into stock or reconversion

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.

### Transfer of stock.

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.

### Rights of stock holders.

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.

### Regulations

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.



## **BORROWING POWERS**

### **Power to borrow**

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.

### **Issue of discount etc. or with special privileges.**

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.

### **Securing payment or repayment of Moneys borrowed.**

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, charge, 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.

### **Bonds, Debentures etc. to be under the control of the Directors.**

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.

### **Mortgage of uncalled Capital.**

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.

### **Indemnity may be given.**

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.

## **MEETINGS OF MEMBERS**

### **Distinction between AGM & EGM**

99. All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.

**Extra-Ordinary General Meeting by Board and by requisition.**

100.(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members

**When a Director or any two Members may call an Extra- Ordinary General Meeting**

(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.

**Meeting not to transact business not mentioned in notice**

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.

**Chairman of General Meeting.**

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 present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.

**Business confined to election of Chairman whilst chair is vacant**

103. No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.

**Chairman with consent may adjourn meeting.**

104. 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.  
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.  
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.  
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.

**Chairman's casting vote.**

105. 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.

**In what case poll taken without adjournment.**

106. Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.

**Demand for poll not to prevent transaction of other business.**

107. 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.

## VOTES OF MEMBERS

### **Members in arrear snot to vote**

108. 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.

### **Number of vote each member entitled.**

109. 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.

### **Casting of votes by a member entitled to more than one vote.**

110. 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.

### **Vote of member of unsound mind and of minor.**

111. 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.

### **Postal Ballot**

112. Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company 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.

### **E-Voting**

113. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

### **Votes of joint members**

114.

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 joint holders thereof.

b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

### **Votes may be given by proxy or by representative**

115. 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

### **Representation of a body corporate**

116. 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.

### **Members paying money in advance.**

117.(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.

### **Members not prohibited if share not held for any specified period.**

(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.

### **Votes in respect of shares of deceased or insolvent members.**

118. 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.

### **No votes by proxy on show of hands.**

119. 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.

### **Appointment of a Proxy.**

120. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized 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.

### **Form of proxy.**

121. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

### **Validity of votes given by proxy notwithstanding death of a member.**

122. 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.

**Time for objections to votes.**

123. 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.

Chairperson of the Meeting to be the judge of validity of any vote.

124. 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.

**DIRECTORS**

**Number of Directors**

**125. Board of Directors**

On the date of acceptance of these Articles of Association, the first directors of the Company are:

1. VALLABHBHAI RATNAJI SAVALIYA
2. KISHORKUMAR PANCHABHAI PATOLIA
3. PRAVINCHANDRA JASMAT VASOLIA

Each of the First Directors shall hold office as permanent directors and shall continue to remain as Directors until he or she as the case may be, resigns or dies or otherwise becomes disqualified under the provisions of the Companies Act. The Board shall be having power to appoint Permanent Directors as and when it deems fit.

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 (including Debenture and Alternate 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

**Qualification shares**

126. A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

**Nominee Directors.**

127. (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

(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.

(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.

(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.

**Appointment of alternate Director.**

128. 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 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.

**Additional 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.

**Directors power to fill casual vacancies**

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.

**Sitting Fees.**

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.

**Travelling expenses Incurred by Director on Company's business.**

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.

**PROCEEDING OF THE BOARD OF DIRECTORS****Meetings of Directors**

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.

**Chairperson**

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.

**Questions at Board meeting how decided**

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.

**Continuing directors may act notwithstanding any vacancy in the Board.**

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.

**Directors may appoint committee**

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.

**Committee Meeting show to be governed.**

138. 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.

**Chairperson of Committee Meetings.**

139.

- 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.

**Meetings of the Committee**

140.

- 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.

**Acts of Board or Committee shall be valid notwithstanding defect in appointment**

141. 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.

**RETIREMENT AND ROTATION OF DIRECTORS****Power to fill casual vacancy**

142. 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.

**POWERS OF THE BOARD****Powers of the Board**

143. 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.

**Certain powers of the Board**

144. 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

**To acquire any property , rights etc**

(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.

**To take on Lease.**

(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 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.

**To erect & construct.**

(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.

**To pay for property.**

(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.

**To insure properties of the Company.**

(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.

**To open Bank accounts.**

(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.

**To secure contracts by way of mortgage.**

(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.

**To accept surrender of shares.**

(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.

**To appoint trustees for the Company.**

(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.

**To conduct legal proceedings.**

(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.

**Bankruptcy & Insolvency.**

(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.

**To issue receipts & give discharge**

(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.



**To invest and deal with money of the Company.**

(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.

**To give Security byway of indemnity.**

(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;

**To determine signing powers.**

(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.

**Commission or share in profits.**

(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.

**Bonus etc. to employees.**

(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.

**Transfer to Reserve Funds.**

(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 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 deprecation 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.

**To appoint and remove officers and other employees.**

(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.

**To appoint Attorneys.**

(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 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.

**To enter into contracts.**

(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.

**To make rules.**

(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.

**To effect contracts etc.**

(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.

**To apply & obtain on cessions licenses etc.**

(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.

**To pay commissions or interest.**

(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 40 of the Act and of the provisions contained in these presents.

**To redeem preference shares.**

(26) To redeem preference shares.

**To assist charitable or benevolent institutions.**

(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.

(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 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.

(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.

(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.

(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.

(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.

(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.

(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.

(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.

(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.

## **MANAGING AND WHOLE-TIME DIRECTORS**

### **Powers to appoint Managing/Whole time Directors**

145.

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 Managing Directors or whole-time 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.

b) The Managing Director or Managing Directors or whole-time 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.

### **Remuneration of Managing or Whole time Director.**

146. 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.

### **Powers and duties of Managing Director or Whole-time Director.**

147. (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.

(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.

(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholtime Director or Wholtime Directors of the Company and may exercise all the powers referred to in these Articles.

(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 affairs of the Company in any specified locality in such manner as they may think fit.

(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.

### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

#### **Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer**

148.

a) Subject to the provisions of the Act,—

i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

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.

### **THE SEAL**

#### **The seal, its custody and use**

149. (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.

(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.

#### **Deeds how executed.**

150. 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.

### **Dividend and Reserves**

#### **Division of profits**

151. (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.

(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.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**The company in General Meeting may declare Dividends.**

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.

**Transfer to reserves.**

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.

**Interim Dividend**

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.

**Debts may be deducted.**

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.

**Capital paid up in advance not to earn dividend.**

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.

**Dividends in proportion to amount paid-up.**

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.

**Retention of dividends until completion of transfer under Articles.**

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.

**No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.**

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.

#### **Effect of transfer of shares**

160. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.

#### **Dividend to joint holders.**

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.

#### **Dividend to joint holders.**

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 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.

b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

#### **Notice of dividend.**

163. 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.

#### **No interest on Dividends.**

164. No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.

### **CAPITALIZATION**

#### **Capitalization**

165.

(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and

(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.

(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:

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(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

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

(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.

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

#### **Fractional Certificates.**

166.

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and

(b) generally to do all acts and things required to give effect thereto.

(2) The Board shall have full power -

(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

(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.

(3) Any agreement made under such authority shall be effective and binding on all such members.

(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.

#### **Inspection of Minutes Books of General Meetings.**

167.

(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.

#### **Inspection of Accounts.**

168.

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.

### **FOREIGN REGISTER**

#### **Foreign Register**

169. 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.

### **DOCUMENTS AND SERVICE OF NOTICES**

#### **Signing of documents & notices to be served or given**

170. 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.

#### **Authentication of documents and proceedings.**

171. 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.

### **WINDING UP**

172. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **INDEMNITY**

### **Directors' and others right to indemnity**

173. 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.

### **Not responsible for acts of others.**

174. 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.

## **SECRECY**

### **Secrecy**

175. (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.

### **Access to property information etc**

(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.



## **SECTION X – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office between 10 A.M. and 5 P.M. on all Working Days from the date of this Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Agreement dated August 12, 2023 between our Company and the Book Running Lead Manager to the Issue.
2. Agreement dated August 17, 2023 executed between our Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated October 12, 2023 among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated October 12, 2023 between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated October 12, 2023 between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated October 12, 2023 between our Company, Book Running Lead Manager and Syndicate Members
7. Tripartite Agreement dated August 30, 2022 among CDSL, the Company and the Registrar to the Issue.
8. Tripartite Agreement dated August 30, 2022 among NSDL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated November 02, 2018 issued by the Registrar of Companies, Central Registration Centre
3. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated August 23, 2022 issued by the Registrar of Companies, Ahmedabad
4. Copy of the Board Resolution dated July 14, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated July 19, 2023 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the stub period ended June 30, 2023 and for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021.
7. Peer Review Auditors Report dated October 14, 2023 on the Restated Financial Statements for the stub period ended June 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.
8. Copy of the Statement of Tax Benefits dated August 29, 2023 from the Statutory Auditor.
9. Certificate on KPI's issued by Peer Review Auditor dated October 18, 2023.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Syndicate Member, Banker to the Issue/ Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Advisors to the Issue, Bankers to our Company, Promoters, Directors, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated August 31, 2023 for approval of Draft Red Herring Prospectus, dated October 18, 2023 for approval of Red Herring Prospectus dated October 31, 2023 for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated August 31, 2023.
13. Approval from NSE vide letter dated October 17, 2023 to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the National Stock Exchange of India Limited

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Dr. Pravinchandra Jasmat Vasolia</b> Chairman & Managing Director DIN: 02896534	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Kishorkumar Panchabhai Patolia</b> Whole- Time Director DIN: 00320207	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Vallabh Ratanji Savaliya</b> Whole- Time Director DIN: 00155542	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Rutesh Vallabhbhai Savalia Whole- Time Director DIN: 08533056	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Shivam Kishorbhai Patolia Whole- Time Director DIN: 10030825	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Dr. Soumitra Sachipati Banerjee</b> Non- Executive Director DIN: 02796216	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Jasmin Jasmatbhai Patel</b> Independent Director DIN: 03030002	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad



### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Insiya Qaidjohar Nalawala Independent Director DIN: 08436102	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Kishankumar Dhirajlal Tilva</b> Independent Director <b>DIN: 09720108</b>	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Nikita Kiritbhai Muliya</b> Chief Financial Officer PAN: CLMPM4517M	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad

### **DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Prospectus are true and correct.

#### **SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
<b>Vrunda Upendra Dattani</b> Company Secretary and Compliance officer M.No.: A71974	Sd/-

**Date:** October 31, 2023

**Place:** Ahmedabad