




(Please scan this QR Code to view the DRHP)

Draft Red Herring Prospectus  
Dated: August 24, 2024  
Please read section 32 of the Companies Act, 2013  
100% Book Built Offer



## ARUNAYA ORGANICS LIMITED

Corporate Identification Number: U24100GJ2010PLC061794

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE & EMAIL	WEBSITE
C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India	102 First Floor Shoppers Plaza V, Opp Municipal Market C G Road Navrangpura, Ambawadi, Ahmedabad- 380006, Gujarat, India	Tanvi Patel, Company Secretary and Compliance Officer	+91 7779018165 & <a href="mailto:info@arunayaorganics.com">info@arunayaorganics.com</a>	<a href="http://www.arunayaorganics.com">www.arunayaorganics.com</a>
NAME OF PROMOTERS OF THE COMPANY: VINOD AGRAWAL AND SHIVALI AGRAWAL				
DETAILS OF OFFER TO PUBLIC				
Type	Fresh Issue Size	OFS (by no. of share or by amount in ₹)	Total Size	Eligibility & Share Reservation among NII & RII
Fresh Issue and Offer for Sale	Up to 55,00,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] Lakhs	Up to 6,00,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] Lakhs	Up to 61,00,000 Equity Shares of face value of ₹ 10 each aggregating up to ₹ [●] Lakhs	The Offer is being made pursuant to Regulation 229(2) of SEBI (ICDR) Regulations. For details of Share reservation among QIBs, NIIs and RIIs, see “Offer Structure” on page 261.
DETAILS OF OFFER FOR SALE				
Name of Promoter Selling Shareholder	Type	Number of Equity Shares offered	Weighted average cost of acquisition per Equity Share <sup>(i)</sup> (In ₹)	
Shivali Agrawal	Promoter Selling Shareholder	Up to 6,00,000	2.76	
(i) As certified by M/s Abhishek Kumar & Associates, Chartered Accountants, by way of their certificate dated August 21, 2024.				
RISKS IN RELATION TO THE FIRST OFFER				
This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹10 each. The Floor Price, Cap Price and the Offer Price (as determined by our Company in consultation with the BRLM, in accordance with SEBI ICDR Regulations, and as stated in “Basis for Offer Price” beginning on page 111) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISK				
Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares issued in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 30 of this Draft Red Herring Prospectus.				
ISSUER’S AND PROMOTER SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the issuer and the Offer which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder, accepts responsibility for and confirms the statements made by him in this Draft Red Herring Prospectus to the extent of information specifically pertaining to him and of the offered shares and assume responsibility that such statements are true and correct in all material respects and are not misleading in any material respect.				
LISTING				
The Equity Shares of our Company offered through this Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an approval letter dated [●] from National Stock Exchange of India Limited for using its name in the Draft Red Herring Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Offer, National Stock Exchange of India Limited shall be the Designated Stock Exchange.				
BOOK RUNNING LEAD MANAGER				
NAME AND LOGO OF BOOK RUNNING LEAD MANAGER		CONTACT PERSON	TELEPHONE & EMAIL	
 UNISTONE	UNISTONE CAPITAL PRIVATE LIMITED	Brijesh Parekh	Tel: 022 4604 6494 Email: <a href="mailto:mb@unistonecapital.com">mb@unistonecapital.com</a>	
DETAILS OF REGISTRAR TO THE OFFER				
NAME OF REGISTRAR		CONTACT PERSON	TELEPHONE & EMAIL	
BIGSHARE SERVICES PRIVATE LIMITED		Asif Sayyed	Tel : 022 6263 8200 Email : <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a>	
BID/OFFER PERIOD				
ANCHOR INVESTOR BID/OFFER PERIOD <sup>(1)</sup> : [●]		BID/OFFER OPENS ON <sup>(1)</sup> : [●]		BID/OFFER CLOSES ON <sup>(2) (3)</sup> : [●]

<sup>(1)</sup> Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

<sup>(2)</sup> Our Company, in consultation with the BRLM, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

<sup>(3)</sup> UPI mandate end time and date shall be at 5:00 PM on the Bid/Offer closing Date.

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## II Arunaya II Organics Limited

### ARUNAYA ORGANICS LIMITED

Our Company was incorporated as private limited Company under the name “Arunaya Organics Private Limited”, under the provisions of the Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on July 30, 2010. Subsequently, the status of our Company was changed to public limited, and the name of our Company was changed to “Arunaya Organics Limited” vide Special Resolution dated December 15, 2023. The fresh certificate of Incorporation consequent to conversion was issued on January 01, 2024 by the Registrar of Companies, Ahmedabad. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled “General Information” and “History and Certain Corporate Matters” beginning on page 65 and 159 respectively of this Draft Red Herring Prospectus.

**Registered office:** C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India

**Corporate Office:** 102 First Floor Shoppers Plaza V, Opp Municipal Market C G Road Navrangpura, Ambawadi, Ahmedabad- 380006, Gujarat, India

**Tel:** +91 7779018165 **E-mail:** [info@arunayaorganics.com](mailto:info@arunayaorganics.com); **Website:** [www.arunayaorganics.com](http://www.arunayaorganics.com);

**Contact Person:** Tanvi Patel, Company Secretary and Compliance Officer; **Corporate Identification Number:** U24100GJ2010PLC061794

#### PROMOTERS OF THE COMPANY: VINOD AGRAWAL AND SHIVALI AGRAWAL

**INITIAL PUBLIC OFFERING OF UP TO 61,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“EQUITY SHARES”) OF ARUNAYA ORGANICS LIMITED (“COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING UP TO ₹ [●] LAKHS COMPRISING A FRESH ISSUE OF UP TO 55,00,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY OUR COMPANY (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 6,00,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY SHIVALI AGRAWAL (“PROMOTER SELLING SHAREHOLDER”), (THE “OFFERED SHARES”) (THE “OFFER FOR SALE” AND TOGETHER WITH THE FRESH ISSUE, THE “OFFER”) OF WHICH [●] EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE OFFER (THE “MARKET MAKER RESERVATION PORTION”). THE OFFER, LESS MARKET MAKER RESERVATION, I.E. NET OFFER [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AT PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE FULLY-DILUTED POST- OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.**

**THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (WHICH ARE WIDELY HINDI DAILY NEWSPAPER) AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED GUJARATI DAILY NEWSPAPER, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE” OR “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ( “SEBI ICDR REGULATIONS”)**

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. In cases of *force majeure*, banking strike or similar unforeseen circumstances, our Company and the promoter selling shareholder, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release, and also by indicating the change on the respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “**QIB Portion**”), provided that our Company and Promoter Selling Shareholder, in consultation with the BRLM may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (“**Anchor Investor Portion**”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. 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 (other than the Anchor Investor Portion) (“**Net QIB Portion**”). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹ 2.00 lakhs and up to ₹10.00 lakhs; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹10.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors and not less than 35.00% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Potential Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount (“**ASBA**”) process by providing details of their respective ASBA Accounts and UPI ID in case of UPI Bidders, if applicable, in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“**SCSBs**”) or by the Sponsor Bank(s) 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 Offer through the ASBA process. For details, see “*Offer Procedure*” on page 265.

#### RISK IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10.00. The Offer Price, Floor Price/Cap Price, as determined by the Company in consultation with BRLM, by way of the Book Building Process, in accordance with the SEBI ICDR Regulations and as stated in “*Basis for Offer Price*” on page 111 should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares issued in the Offer have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on Page 30 of this Draft Red Herring Prospectus.

#### ISSUER’S AND PROMOTER SELLING SHAREHOLDER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the issuer and the Offer which is material in the context of the offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the promoter selling shareholder, accepts responsibility for and confirms the statements made by him in this Red Herring Prospectus to the extent of information specifically pertaining to him and the Offered Shares and assume responsibility that such statements are true and correct in all material respects and are not misleading in any material respect.

#### LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange (“NSE EMERGE”). In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received In-Principal Approval letter dated [●] from NSE for using its name in this offer document for listing of our shares on the EMERGE platform of NSE. For the purpose of this Offer, the designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”). A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see “*Material Contracts and Documents for Inspection*” on page 317.

#### BOOK RUNNING LEAD MANAGER



**UNISTONE**

**UNISTONE CAPITAL PRIVATE LIMITED**  
A/305, Dynasty Business Park, Andheri Kurla Road, Andheri East,  
Mumbai 400059, Maharashtra, India  
**Telephone:** 022 4604 6494  
**Email:** [mb@unistonecapital.com](mailto:mb@unistonecapital.com)  
**Website:** [www.unistonecapital.com](http://www.unistonecapital.com)  
**Investor grievance email:** [compliance@unistonecapital.com](mailto:compliance@unistonecapital.com)  
**Contact Person:** Brijesh Parekh  
**SEBI registration number:** INM000012449  
**CIN:** U65999MH2019PTC330850

#### REGISTRAR TO THE OFFER



**BIGSHARE SERVICES PRIVATE LIMITED**  
S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East),  
Mumbai –400 093, Maharashtra, India  
**Telephone:** 022-6263 8200  
**Facsimile:** 022-6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor grievance email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Contact Person:** Asif Sayyed  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration Number:** INR000001385  
**CIN:** U99999MH1994PTC076534

#### BID/OFFER PERIOD

ANCHOR INVESTOR BID OFFER PERIOD <sup>(1)</sup> : [●]	BID/OFFER OPENS ON <sup>(1)</sup> : [●]	BID/OFFER CLOSES ON <sup>(2)</sup> : [●]
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- Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
- Our Company, in consultation with the BRLM, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.
- UPI mandate end time and date shall be at 5:00 PM on the Bid/Offer closing Date.

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## SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute, regulation, rule, guidelines, circular, notification or clarification or policies will include any amendments or re-enactments thereto, from time to time.

Notwithstanding the foregoing, terms in “*Main Provisions of the Articles of Association*”, “*Statement of Possible Special Tax Benefits*”, “*Industry Overview*”, “*Basis for Offer Price*”, “*Key Regulations and Policies in India*”, “*Financial Information*”, “*Outstanding Litigation and Other Material Developments*” and “*Offer Procedure*”, will have the meaning ascribed to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the Conventional or General Information Document (as defined below), the definitions given below shall prevail. The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the notified provisions of the Companies Act, 2013, the SEBI Act, the SEBI ICDR Regulations, the SCRA, Depositories Act and the rules and regulations made thereunder.

### Conventional or General Terms

Terms	Description
“AOL”, “Arunaya”, “our Company”, “the Company”, “the Issuer Company” or “the Issuer”	Unless the context otherwise requires, refers to “Arunaya Organics Limited”, (formerly known as Arunaya Organics Private Limited) a Company originally incorporated under the Companies Act, 1956 vide a Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company.

### Company Related Terms

Terms	Description
AOA / Articles of Association	The 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, 2013 and Regulation 18 of the SEBI (LODR) Regulations as described in “ <i>Our Management</i> ” on page 165.
Auditor or Statutory Auditor or Peer Review Auditor	The statutory auditors of our Company, namely M/s Abhishek Kumar & Associates, Chartered Accountants.
Bankers to the Company	Banker to our Company, namely, Indian Overseas Bank.
Board of Directors / the Board / our Board	The director(s) on our Board, as duly constituted from time to time, including any committee(s). For further details of our directors, please refer to chapter titled “ <i>Our Management</i> ” beginning on page 165 of this Draft Red Herring Prospectus.
Chairman	Chairman of the Board, as described in “ <i>Our Management</i> ” on page 165.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Bikash Tarafdar.
Company Secretary & Compliance Officer	The Company Secretary and Compliance Officer of our Company being Tanvi Patel.

Terms		Description
Corporate Office		102, First Floor, Shoppers Plaza V, Opp Municipal Market C G Road Navrangpura, Ambawadi, Ahmedabad- 380006, Gujarat, India.
Director(s)		The director(s) on our Board.
Equity Shares/ Shares		Equity Shares of the Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders		Persons/ Entities holding Equity Shares of our Company.
Equity Listing Agreement/ Listing Agreement		Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our company and the NSE Emerge Platform.
Group Company/ Group Companies		As on the date of DRHP, Chinmay Chemicals Private Limited (Chinmay) is our only group company. For further details please refer to “ <i>Our Group Company</i> ” chapter on page 184 of the DRHP.
Indian GAAP		Generally Accepted Accounting Principles in India.
ISIN / International Securities Identification Number		INE0TTG01017.
Job Work		A contractual arrangement where a company (the principal) contracts another entity (the job worker) to perform dyeing or related processes on their behalf. The job worker processes the principal's materials or products according to the specifications and requirements provided by the principal.
Key Managerial Personnel/ Managerial Employees	Key	Key Management Personnel of our Company in terms of the SEBI ICDR Regulations and the Companies Act, 2013 and as described in section entitled “ <i>Our Management</i> ” on page 165 of this Draft Red Herring Prospectus.
MD or Managing Director		The Managing Director of our Company being Vinod Agrawal.
MOA/ Memorandum/ Memorandum of Association		Memorandum of Association of our Company, 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 and Regulation 19 of the SEBI (LODR) Regulations and as described in “ <i>Our Management</i> ” on page 165.
NRIs / Non-Resident Indians		A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time.
Promoters		The Promoters of our Company, namely, Vinod Agrawal and Shivali Agrawal.
Promoter Group		Such persons, entities and companies constituting our Promoters Group pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter

Terms		Description
		titled “ <i>Our Promoters and Promoter Group</i> ” on page 180 of this Draft Red Herring Prospectus.
Promoter Shareholder	Selling	Shivali Agrawal.
Proposed Proposed New Unit or Facility/ Unit II	Unit/ Facility/	D-3/26/3, Dahej-3 Industrial Area/ Estate, Survey Number 4/P, 10/P, Sambheti Village, Bharuch, Gujarat, India.
RBI Act		The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company/ Manufacturing Facility/ Manufacturing Unit/ Unit I		C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India.
RoC / Registrar of Companies		ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.
“Restated Consolidated Financial Statements” or “Restated Consolidated Financial Statements” or “Restated Consolidated Financial Information” or “Financial Information” or “Restated Statements”	or Audited or	The restated consolidated financial information of our Company for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, which comprises the restated consolidated balance sheet, the restated consolidated statement of profit and loss and the restated consolidated cash flow statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations, as amended and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the Institute of Chartered Accountants of India, as amended.
Stakeholders’ Relationship Committee		The committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations and as described in “ <i>Our Management</i> ” on page 165.

## Offer Related Terms

Terms		Description
Abridged Prospectus		Abridged Prospectus to be issued as per SEBI ICDR Regulations and appended to the Application Form.
Acknowledgeme nt Slip		The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allot / Allotment / Allotted		Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the offered shares pursuant to the Offer for Sale of the Equity Shares, in each case to the successful Applicants.
Allotment Advice		Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the

Terms	Description
	Designated Stock Exchange.
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investor, and allocation to Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLM.
Anchor Investor Pay – in Date	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLM, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Red Herring Prospectus.
Applications Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in



Terms	Description
	the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder.
ASBA Bidder	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders, to submit Bids through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
ASBA Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Hyderabad.
Banker to the Offer/ Public Offer Bank/ Refund Banker	Banks which are clearing members and registered with SEBI as Bankers to an Offer and with whom the Public Offer Account will be opened, in this case being [●].
Banker to the Offer Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Offer.
Basis of Allotment	The basis on which the Equity Shares will be allotted, described in “Offer Procedure” on page 265 of this Draft Red Herring Prospectus.
Bid	An indication to make an bid/offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum 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 in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bidder	Any investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.
Bid Application Form cum	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Bidders, which will be considered as the application for Allotment in terms of the Prospectus.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/ Offer Closing Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in All editions of the English national newspaper [●], All editions of the Hindi national newspaper [●], and [●] edition of the Gujarati Regional newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/ Offer closing Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in All edition of the English national

Terms	Description
	newspaper [●], All edition of the Hindi national newspaper [●], and [●] edition of the Gujarati Regional newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	The period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidding/Collection Centres	Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process	The book building process, as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer will be made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Offer, namely Unistone Capital Private Limited (“Unistone”)
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof. The Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into and amongst our Company, the Registrar to the Offer, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank and Refund Bank(s) in accordance with UPI Circulars, for <i>inter alia</i> , the appointment of the Sponsor Bank in accordance, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant or CDP	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. <i>CIR/CFD/POLICYCELL/11/2015</i> dated <i>November 10, 2015</i> , issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Offer and the Stock Exchange.

Terms	Description
Cut-off Price	The Offer Price, as finalized by our Company in consultation with the Book Running Lead Manager which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion, are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid cum Application Forms. 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 ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and updated from time to time.
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account(s) to the Public Offer Account(s) or the Refund Account(s), as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account(s) or the Refund Account(s), as the case may be, in terms of the Red Herring Prospectus and the Prospectus after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted in the Offer.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock-Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an offer and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a> .
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website 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 Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at Intermediaries [ <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ] or at such other website as may be prescribed by SEBI from time to time.
Designated Stock	National Stock Exchange of India Limited (NSE) (SME Platform of NSE i.e. NSE

Terms		Description
Exchange		EMERGE).
DP		Depository Participant.
DP ID		Depository Participant's Identity.
Draft Red Herring Prospectus or DRHP		This draft red herring prospectus dated August 24, 2024, filed on EMERGE platform of NSE and disseminated with SEBI, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the offer, including the price at which the Equity Shares are issued and the size of the Offer, and includes any addenda or corrigenda thereto.
Eligible NRI(s)		A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs		QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to purchase the Equity shares issued thereby and accounts with SEBI registered qualified depository participants.
Escrow Account(s)		The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
Escrow Collection Bank(s)		The banks which are clearing members and registered with SEBI as bankers to an offer under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●].
First Bidder		The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price		The lower end of the Price Band, i.e., ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids, will be accepted and which shall not be less than the face value of the Equity Shares.
Equity Shares		Equity Shares of our Company of face value ₹10 each.
Electronic Transfer of Funds		Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
FII/ Foreign Institutional Investors		Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Fresh Issue		Fresh issue of up to 55,00,000 Equity Shares aggregating up to ₹ [●] lakhs to be issued by company pursuant to the Offer.
First/ Sole Applicant		The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors		Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor		A Foreign Portfolio Investor who has been registered pursuant to the 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

Terms	Description
	have been paid.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 as amended from time to time.
Foreign Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. <i>SEBI/HO/CFD/DIL1/CIR/P/2020/37</i> dated <i>March 17, 2020</i> and the circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2020/50</i> dated <i>March 30, 2020</i> , as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the website of the Stock Exchange and Book Running Lead Manager.
Gross Proceeds	The total Offer Proceeds to be raised pursuant to the Offer.
Offer / Public Offer / Offer size/ Initial Public Offer / Initial Public Offering / IPO	We are proposing Offer up to 61,00,000 equity shares of face value of ₹ 10 each (“equity shares”) of the Company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) (“offer price”) aggregating up to ₹ [●] lakhs comprising a fresh issue of up to 55,00,000 equity shares aggregating up to ₹ [●] lakhs by our company (“fresh issue”) and an offer for sale of up to 6,00,000 equity shares aggregating up to ₹ [●] lakhs by our promoter selling shareholder.
Offer Agreement	The Agreement dated August 24, 2024 entered amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Price	₹ [●] per Equity Share, being the final price within the Price Band at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the Book Running Lead Manager, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus.
Offer Proceeds	Proceeds to be raised by our Company through this Offer, for further details please refer chapter titled “ <i>Objects of the Offer</i> ” page 91 of this Draft Red Herring Prospectus.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and Emerge platform of National Stock Exchange of India Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case, [●].
Market Making Agreement	The Market Making Agreement dated [●] between our Company and Market Maker.

Terms	Description
Market Maker Reservation Portion	The reserved portion up to [●] Equity Shares of ₹ 10 each at an Offer price of ₹ [●] each aggregating to ₹ [●] lakhs to be subscribed by Market Maker in this offer.
Minimum Promoter's Contribution	Aggregate of 20% of the fully diluted post-offer Equity Share capital of our Company held by our Promoter which shall be provided towards minimum promoter's contribution of 20% and locked in for a period of three years from the date of Allotment.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Net Offer	The Offer (excluding the Market Maker Reservation Portion) up to [●] equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share (the "Offer Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Offer Proceeds received from the fresh Issue excluding Offer related expenses. For further information on the use of Net Offer Proceeds and Offer expenses, please refer to the chapter titled " <i>Objects of the Offer</i> " beginning on page 91 of this Draft Red Herring Prospectus.
Non-Institutional Investors / Applicant	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹ 2,00,000/- (but not including NRIs other than Eligible NRIs).
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes Eligible non-resident Indian, Eligible QFIs, FIIs registered with SEBI, FVCIs and FPIs.
Non-Resident Indian/NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended.
NSEIL/ NSE	National Stock Exchange of India Limited.
NSE EMERGE	The Emerge platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations.
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60.00% by NRIs including overseas trusts, Overseas Corporate Body means and includes an entity defined in which not less than 60.00% clause (xi) of Regulation 2 of beneficial interest is irrevocably held by NRIs directly or indirectly and the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on October 3, 2003 and the date of the commencement of these Regulations and immediately prior to such date had taken benefits under the commencement was eligible to undertake transactions pursuant to the general permission granted to under the Regulations. OCBs under FEMA are not allowed to invest in this Offer.
Payment through	Payment through NECS, NEFT, or Direct Credit, as applicable.

Terms	Description
electronic means	
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalize the Offer Price.
Price Band	<p>Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum Price of ₹ [●] per Equity Share (Cap Price) and includes revisions thereof, if any. The Cap Price shall be at least 105% of the Floor Price.</p> <p>The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Gujarati daily newspaper, Gujarati being the regional language of Gujarat where our registered office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchange for the purpose of uploading on their website.</p>
Prospectus	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The ‘no-lien’ and ‘non-interest bearing’ account to be opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and from the ASBA Accounts on the Designated Date.
QIB Portion	The portion of the Offer being not more than [●] % of the Offer or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company, in consultation with the BRLM), subject to valid Bids being received at or above the Offer Price.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Offer, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date.
Refund Account	The ‘no-lien’ and ‘non-interest bearing’ account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s)/ Refund	The Bankers to the Offer with whom the Refund Accounts will be opened, in this case being [●].

Terms	Description
Banker(s)	
Registered Brokers	Stock-brokers registered with SEBI under the Securities and Exchange Board of India (Stock-Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. <i>CIR/CFD/14/2012</i> dated <i>October 04, 2012</i> , issued by SEBI.
Registrar/ Registrar to the Offer/ RTA/ RTI	Bigshare Services Private Limited having its office at S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Mahakali Caves Road, Next to Ahura Centre, Andheri (East), Mumbai-400093, India.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Offer reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations.
Retail Individual Investors/ RII	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Retail Portion	The portion of the Offer being not less than [●]% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price.
Registered Broker	Stock-brokers registered with SEBI under the Securities and Exchange Board of India (Stock-Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Bids in terms of Circular No. <i>CIR/CFD/14/2012</i> dated <i>October 04, 2012</i> , issued by SEBI.
	The forms used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable.
Revision Form	QIB Bidders and NIBs are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System.
Securities Law	In accordance with Regulation 2(1)(ccc), 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.
Self-Certified Syndicate Bank(s) / SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.



Terms		Description
Share Escrow Agent		Share escrow agent to be appointed pursuant to the Share Escrow Agreement being, [●].
Share Escrow Agreement		The agreement to be entered into amongst our Company, the Promoter Selling Shareholder, and the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares by Promoter Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
SME Exchange/ SME Platform		The Emerge Platform of NSE i.e. NSE EMERGE for listing equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Specified Locations		Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time.
Specified securities		The equity shares issued through this Offer Document.
Sponsor Bank(S)		Banker(s) to the Offer, appointed by our Company to act as conduits between the Stock Exchange and NPCI in order to push the mandate collect requests and/ or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●].
Syndicate Agreement		Agreement to be entered into among the Company, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate.
Syndicate Members		Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Offer and carry out activities namely, [●]
Syndicate or members of the Syndicate		Together, the Book Running Lead Manager and the Syndicate Members
Systemically Important Non-Banking Financial Company or NBFC-SI		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(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriter		[●]
Underwriting Agreement		The Agreement dated [●] entered between the Underwriters and our Company.
UPI/ Unified Payments Interface		Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank a/c.

Terms	Description
	Collectively, individual investors applying as Retail Individual Bidders in the Retail Portion, NIBs Bidding with an application size of more than ₹ 2,00,000 and up to ₹ 5,00,000 in the Non-Institutional Portion and Bidding under the UPI Mechanism
UPI Bidders	Pursuant to Circular no. <i>SEBI/HO/CFD/DIL2/P/CIR/P/2022/45</i> dated <i>April 05, 2022</i> issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 5,00,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Circulars	The SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2018/138</i> dated <i>November 01, 2018</i> read with SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2019/50</i> dated <i>April 03, 2019</i> , SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2019/76</i> dated <i>June 28, 2019</i> , SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2019/85</i> dated <i>July 26, 2019</i> , SEBI circular no. <i>SEBI/HO/CFD/DCR2/CIR/P/2019/133</i> dated <i>November 08, 2019</i> , SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2020/50</i> dated <i>March 30, 2020</i> , SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M</i> dated <i>March 16, 2021</i> , SEBI circular no. <i>SEBI/HO/CFD/DIL2/P/CIR/2021/570</i> dated <i>June 02, 2021</i> , SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2022/45</i> dated <i>April 05, 2022</i> , SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/P/2022/51</i> dated <i>April 20, 2022</i> and SEBI circular no. <i>SEBI/HO/CFD/DIL2/CIR/2022/75</i> dated <i>May 30, 2022</i> and SEBI master circular with circular no. <i>SEBI/HO/MIRSD/POD-1/P/CIR/2023/70</i> dated <i>May 17, 2023</i> (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular with circular no. <i>SEBI/HO/CFD/POD-2/P/CIR/2023/00094</i> dated <i>June 21, 2023</i> , SEBI circular no. <i>SEBI/HO/CFD/TPD1/CIR/P/2023/140</i> dated <i>August 09, 2023</i> , along with (i) the circulars issued by the National Stock Exchange of India Limited having reference no. <i>23/2022</i> dated <i>July 22, 2022</i> and reference no. <i>25/2022</i> dated <i>August 03, 2022</i> ; and (ii) the circulars issued by BSE Limited having reference no. <i>20220722-30</i> dated <i>July 22, 2022</i> and reference no. <i>20220803-40</i> dated <i>August 03, 2022</i> ; and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard.
	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mandate Request	In accordance with SEBI Circular No. <i>SEBI/HO/CFD/DIL2/CIR/P/2019/76</i> dated <i>June 28, 2019</i> and SEBI Circular No. <i>SEBI/HO/CFD/DIL2/CIR/P/2019/85</i> dated <i>July 26, 2019</i> , RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time.

Terms	Description
UPI Mechanism	The Application mechanism that may be used by an RII to make an Application in the Offer in accordance the UPI Circulars to make an ASBA Applicant in the Offer.
UPPIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Wilful Defaulter or Fraudulent Borrower	A wilful defaulter or a fraudulent borrower, as defined under the SEBI ICDR Regulations.
Working Day	The days on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Offer Period, “Working Day” shall mean all days, excluding all Sundays, Saturdays and public holidays, on which commercial banks in Mumbai are open for business; (iii) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars.

#### Technical and Industry Related Terms & Abbreviations

Terms	Full Form
BDSA	Benzenedisulfonic Acid
B2B	Business to Business
CAD	Current Account Deficit
CAGR	Compounded Average Growth Rate
Capex	Capital Expenditure
CHEMEXCIL	Basic Chemicals, Cosmetics and Dyes Export Promotion Council
CTE	Consent to Establish
DII	Domestic Institutional Investors
DGVCL	Dakshin Gujarat Vij Company Limited
EPCG	Export Promotion Capital Goods
FF	Furniture and Fixtures
FRP	Fibre-reinforced plastic
GIDC	Gujarat Industrial Development Corporation
GPCB	Gujarat Pollution Control Board
HDPE	High Density Polyethylene
HFI	High-Frequency Indicator
KL	Kilo Litre
MCC	Motor Control Centre
MEE	Multi Effect Evaporator
MPD -HS	Meta-Phenylenediamine
MTPA	Metric Ton Per Annum
MS	Mild Steel
OE	Office Equipments
PCC	Power Control Centre
PCPIR	Petroleum, Chemicals, and Petrochemicals Investment Region
PLI	Production Linked Incentive Scheme
PM-DevINE	Prime Minister’s Development Initiative for North-East Region
SS	Stainless Steel
ToR	Terms of Reference
VFD	Variable Frequency Drive

## Conventional and General Terms or Abbreviations

Abbreviation	Full Form
A/c	Account
Act or Companies Act	The Companies Act, 1956, as amended from time to time and/ or the Companies Act, 2013, with the amendments thereto to the extent applicable.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981
ACIT	Assistant Commissioner of Income Tax
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
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
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
COVID-19	Coronavirus disease
CS	Company Secretary
CS & CO	Company Secretary and Compliance Officer
CFO	Chief Financial Officer
CST	Central Sales Tax
Category I foreign portfolio investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations
Category II foreign portfolio investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations
Category III foreign portfolio investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy (Circular 1 of 2015) dated May 12, 2015 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996

Abbreviation	Full Form
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
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.
Foreign Portfolio Investor or 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.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR	Indian National Rupee
IIP	Index of Industrial Production
Income Tax Act or the I.T. Act	The Income Tax Act, 1961
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
IRDA	Insurance Regulatory and Development Authority
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016
Indian GAAP	Generally Accepted Accounting Principles in India.
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
INR / Rs./ Rupees/₹	Indian Rupees, the legal currency of the Republic of India
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

Abbreviation	Full Form
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
Ltd.	Limited
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. B. A	Master of Business Administration
M. Com	Master of Commerce
MM	Millimetre
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
NA	Not Applicable
Net-worth	The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non-Resident Indians
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Government as having come into effect prior to the date of this Draft Red Herring Prospectus
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
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
P.A.	Per Annum
PF	Provident Fund
PG	Post-Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Quarter	A period of 3 (three) continuous months.
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934.
ROE	Return on Equity
R&D	Research & Development

<b>Abbreviation</b>	<b>Full Form</b>
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
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended from time to time.
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, 2014, 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 (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI (PFUTP) Regulations / PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
SME	Small and Medium Enterprises
SMA-1	Principal or interest payment overdue between 31-60 days
SMA-2	Principal or interest payment overdue between 61-90 days
STT	Securities Transaction Tax
Sec.	Section
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited (SME Segment).
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974
WACA	Weighted Average Cost of Acquisition

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

### Certain Conventions

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

All references to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Financial Data

Unless the context otherwise requires or indicates, the financial information (including financial ratios) and any percentage amounts (excluding certain operational metrics), as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 30, 130 and 219, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from our Restated Financial Statements.

The restated Financial Statements of our Company, as at for the Financial Years ended March 31, 2024, 2023 and 2022 prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations; and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time (**the “Guidance Note”**), comprising the restated statement of assets and liabilities for the financial year ended March 31, 2024, 2023 and 2022, the restated statements of profit and loss (including other comprehensive income), the restated statement of changes in equity, the restated cash flow statement for the financial year ended March 31, 2024, 2023 and 2022, the summary statement of significant accounting policies, and other explanatory information.

For further information on our Company’s financial information, see “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 187 and 219, respectively.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

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 Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Statutory Auditors, set out in section



titled “*Financial Information*” beginning on page 187 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main provisions of the Articles of Association*”, on page 303 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

### Currency and Units of Presentation

All references to:

- “Rupees” or “INR” or “Rs.” Or “₹” are to the Indian Rupee, the official currency of India;
- “USD” or “US\$” or “\$” or “U.S. Dollar” are to the United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “*Lakhs*” units. One Lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### Exchange rates

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

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

Currency	Exchange rate as on		
	March 31, 2024	March 31, 2023	March 31, 2022
USD	83.37	82.22	75.81

Source: (RBI Reference Rate)

Note: The exchange rates are rounded off to two decimal places and in case March 31 of any of the respective years is a public holiday, the previous Working Day not being a public holiday has been considered.

### Use of Industry & Market Data

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

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies, and assumptions may vary widely among different market and industry sources. In accordance with the SEBI (ICDR) Regulations, the section titled “*Basis for Offer Price*” on page 111 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

## FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “*forward-looking statements*”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “will continue”, “seek to”, “will achieve”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities, investments, or the industry in which we operate, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry in which we operate and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. We are dependent on a third party i.e. Chinmay Chemicals Private Limited (Chinmay), our group company for supplying our products. Any disruptions at such production or manufacturing facility and their supply chains arrangements, or failure of to adhere to the relevant quality standards may have a negative effect on our reputation, business, and financial condition.
2. We are dependent on a few customers for a major part of our revenues. Further we do not enter long-term arrangements with our customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.
3. We do not have any long-term agreements with our raw material suppliers. If we face difficulties in obtaining the necessary quality and quantity of raw materials in timely manner and at fair prices, or if we fail to secure them altogether, it could detrimentally affect our business, financial performance, and cash flow.
4. Our existing and proposed manufacturing units are located in Gujarat. Any localized social unrest, natural disaster, service disruption, or other unforeseen events in or around Gujarat could lead to production interruptions or shutdowns at our facilities. Such disruptions could have a material adverse effect on our business and financial condition.
5. Our primary source of revenue largely depends on a sale of Direct Dyes and Intermediaries. Consequently, any downturn in sales within these segments would significantly hamper our operations and profitability.
6. Our business is dependent on the performance of certain industries. Economic cyclicity coupled with reduced demand in these other industries, in India or globally, could adversely affect our business, results of operations and financial condition.
7. A significant portion of our domestic revenues are derived from the West Zone and any adverse developments in this market could adversely affect our business.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs, assumptions, current plans, estimates and expectations, 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.

Neither our Company, our Directors, our Promoters, the Book Running Lead Manager, the Syndicate Members nor any of their respective affiliates or advisors 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 the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Share forming part of the Offer from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – SUMMARY OF OFFER DOCUMENT

### PRIMARY BUSINESS OF THE COMPANY

Our Company started its operation in dye industry in the year 2010. We engage in trading, distribution, and manufacturing activities of different types of dyes and its intermediaries. A significant portion of our revenue from operations comes from outsourcing job work services to our group company Chinmay Chemicals Private Limited. We supply a comprehensive range of products, including reactive, acid, direct, basic, and solvent dyes, as well as dye intermediates. Our products are available in multiple forms, such as standardized spray-dried and tray-dried powders, granules, crude, reverse osmosis-treated products and salt free. Additionally, we provide specialty performance chemicals tailored for the paper industry and textile dyeing. Our diverse product portfolio is designed to cater to both domestic and international markets. Our production facility, located at C-8, GIDC Estate, Naroda, Ahmedabad- 382330, Gujarat, India, has an annual capacity of approximately 30 metric ton per annum. We are committed to maintaining high standards of quality and environmental management, as evidenced by our ISO 9001:2015 and ISO 14001:2015 certifications.

For detailed information on our business activities, please refer to section titled “*Our Business*” on page 130 of this Draft Red Herring Prospectus.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

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-September) 2023-24 (Provisional), the export of agrochemicals was US\$ 1.70 billion, dyes were US\$ 867 million and the other dye intermediates were US\$ 62 million. The import of agrochemicals was US\$ 738 million, dyes were US\$ 120 million and the other dye intermediates were US\$ 522 million during (April-September) 2023-24 (Provisional). India holds a strong position in international trading of chemicals and ranks 9<sup>th</sup> in exports and 6<sup>th</sup> in imports at a global level (excluding pharmaceuticals).

For further details, please refer to section titled “*Industry Overview*” on page 122 of this Draft Red Herring Prospectus.

### NAME OF THE PROMOTERS

The Promoters of our Company are Vinod Agrawal and Shivali Agrawal. For detailed information on our Promoters and Promoter Group, please refer to section titled “*Our Promoters and Promoter Group*” on page 180 of this Draft Red Herring Prospectus.

### SIZE OF THE OFFER

Initial public offer of up to 61,00,000 equity shares of face value of ₹ 10 each (“**equity shares**”) of the Company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) (“**offer price**”) aggregating up to ₹ [●] lakhs comprising a fresh issue of up to 55,00,000 equity shares aggregating up to ₹ [●] lakhs by our company (“**fresh issue**”) and an offer for sale of up to 6,00,000 equity shares aggregating up to ₹ [●] lakhs by Promoter selling shareholder.

Sr. No.	Name of Promoter Selling Shareholder	Maximum number of Shares <sup>(1)(2)</sup> Offered	Date of Promoter Selling Shareholder's Consent Letter	Date of Corporate Authorization/ Board Resolution
1.	Shivali Agrawal	Up to 6,00,000	June 17, 2024	NA

(1) The Offer has been authorised by a resolution of our Board dated June 17, 2024. Our Shareholders have authorised the Fresh Issue pursuant to a special resolution dated June 18, 2024. Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholder pursuant to its consent dated June 17, 2024.

(2) The Equity Shares being offered by the Promoter Selling Shareholder have been held for a period of at least one year immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For further information, see “*Capital Structure*” beginning on page 77.

## OBJECTS OF THE OFFER

Our Company proposes to utilize the proceeds from the Fresh Issue towards funding the following objects and achieve the benefits of listing on EMERGE platform of National Stock Exchange of India Limited:

Sr No	Particulars	Total estimated cost	Total amount deployed as on August 21, 2024	Amount which will be financed from Net Proceeds <sup>(1)</sup>	Estimated utilization of Net Proceeds in FY 2025	Estimated utilization of Net Proceeds in FY 2026
1	Setting up of a new manufacturing facility located at Dahej, Bharuch, Gujarat <sup>(2)</sup>	1,281.74	102.79 <sup>(3)</sup>	1,178.95	1,178.95	-
2	Funding working capital requirements of our company	900.00	-	900.00	700.00	200.00
3	General corporate purposes <sup>(1)</sup>	[●]	[●]	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]	[●]	[●]

(1) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

(2) Total estimated cost of the Project has been certified by M/s Sanjaysingh Bist, Independent Chartered Engineer, vide their certificate dated August 12, 2024.

(3) As certified by our Statutory Auditor, by way of their certificate dated August 21, 2024 in respect of amounts deployed by our Company towards the Project.

\* To be finalized upon determination of the offer price and updated in the prospectus prior to filing with the RoC. Amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the offer.

For detailed information on the “Objects of the Offer”, please refer on page 91 of this Draft Red Herring Prospectus.

## AGGREGATE PRE-OFFER SHAREHOLDING OF THE PROMOTERS, PROMOTER GROUP AND PROMOTER SELLING SHAREHOLDER AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF OUR COMPANY

Aggregate Pre-Offer Shareholding of the Promoters, Promoter Group and Promoter Selling shareholder are as follows:

Sr. No.	Name	Pre-Offer			Post-Offer		
		Number of Equity Shares	Percentage (%) holding		Number of Equity Shares	Percentage (%) holding	
Promoters							
1.	Vinod Agrawal	85,85,315	69.92%		[●]	[●]	
2.	Shivali Agrawal*	26,64,596	21.70%		[●]	[●]	
Promoter Group							
1.	Vinod Agrawal HUF	12,140	0.10%		[●]	[●]	

\* Shivali Agrawal is the promoter selling shareholder of the offer.

For detailed information on the “Capital Structure”, please refer on page 77 of this Draft Red Herring Prospectus.

## FINANCIAL DETAILS

The table below sets forth a summary of the Restated Financial Statements for the financial year March 31, 2024, 2023 and 2022:

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2024	For the Fiscal year March 31, 2023	March 31, 2022
1.	Share Capital	84.65	84.65	73.16
2.	Net Worth	1,126.58	724.52	475.37
3.	Return on net worth	44.13%	29.11%	33.22%
4.	Revenue from operations	6,223.32	7,585.02	6,154.72
5.	Profit before Tax from continuing operations	560.80	242.98	188.73
6.	Profit after Tax	408.42	174.64	136.12
7.	Basic & Diluted Earnings Per Share <sup>(1)</sup>	3.97	1.70	1.53
8.	Net Asset Value per Equity Shares <sup>(1)</sup>	10.96	7.05	5.35
9.	Total Borrowings (as per Restated)	1,329.91	1,316.85	990.28

(1) The Basic and Diluted earnings per share and Net Asset value per share is calculated taking only profit after tax from continuing operations.

For detailed information on the “Restated Financial Statements”, please refer on page 187 of this Draft Red Herring Prospectus.

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

There were no auditor qualifications which required corrective adjustments, and which have not been given effect to in the Restated Financial Information.

## OUTSTANDING LITIGATIONS

A summary of outstanding tax proceedings involving our Company, Directors, Group Company, and Promoters as on the date of this Draft Red Herring Prospectus is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges	Material civil litigations	Aggregate amount involved (₹ in lakhs)
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	3	-	-	-	135.51
<b>Directors</b>						
By the Directors	-	-	-	-	-	-
Against the Directors	3	1	-	-	-	135.40
<b>Promoters</b>						
By the Promoters	-	-	-	-	-	-
Against the Promoters	3	1	-	-	-	135.40
<b>Group Company</b>						

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges	Material civil litigations	Aggregate amount involved (₹ in lakhs)
By the group company	-	-	-	-	-	-
Against the group company	-	-	-	-	-	-

For detailed information on the Outstanding Litigations, please refer to section titled “*Outstanding Litigations and Material Developments*” on page 229 of this Draft Red Herring Prospectus.

## RISK FACTORS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have neither been recommended nor approved by Securities and Exchange Board of India. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page 30 of this Draft Red Herring Prospectus.

## CONTINGENT LIABILITIES

Except as stated below, there are no other Contingent Liabilities of the Company for the financial year ended on March 31, 2024, 2023 and 2022.

(Amount in Lakhs except Units in Actual Numbers)

Particulars	For Fiscal Year		
	March 31, 2024	March 31, 2023	March 31, 2022
Income Tax Demand	46.56	46.56	46.56
GST	88.95	-	-
<b>Total</b>	<b>135.51</b>	<b>46.56</b>	<b>46.56</b>

For details on contingent liabilities, as per Indian GAAP, see “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 187 and 219, respectively.

## RELATED PARTY TRANSACTIONS

The following transactions were carried out with the related parties in the ordinary course of business (except reimbursement of actual expenses):

(Amount in Lakhs except Units in Actual Numbers)

Nature of Transactions	Name of Related Parties	As at	As at	As at
		March 31, 2024	March 31, 2023	March 31, 2022
Directors Remuneration	Vinod Agarwal	24.00	28.80	21.87
	Shivali Agarwal	12.00	15.30	10.93
<b>Total</b>		<b>36.00</b>	<b>44.10</b>	<b>32.80</b>
Loan Received (Paid) during the Year to Related Parties	<b>Vinod Agarwal</b>			
	Opening Balance	0.00	-1.72	-3.16
	Loan Received during the year	157.68	16.32	22.58
	Loan Paid during the year	65.67	14.60	21.14
	<b>Closing Balance</b>	<b>92.01</b>	<b>0.00</b>	<b>-1.72</b>
	<b>Shivali Agarwal</b>			
	Opening Balance	0.00	0.36	0.00

Nature of Transactions	Name of Related Parties	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	Loan Received during the year	76.00	4.03	2.69
	Loan Paid during the year	9.27	4.39	2.33
	<b>Closing Balance</b>	<b>66.73</b>	<b>0.00</b>	<b>0.36</b>
	<b>Chinmay Chemical Private Limited</b>			
	Opening Balance	157.89	157.89	0.00
	Loan Received during the year	0.00	0.00	0.00
	Loan Paid during the year	47.37	0.00	157.89
	<b>Closing Balance</b>	<b>205.26</b>	<b>157.89</b>	<b>157.89</b>
Loans and Advance during the year to Related Parties	<b>Chinmay Chemical Private Limited</b>			
	Opening Balance	0.00	0.00	0.00
	Advances Given during the year	0.00	0.00	0.00
	Advances Paid during the year	0.00	0.00	0.00
	<b>Closing Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Sales	Chinmay Chemical Private Limited	25.67	59.17	88.99
	Square International	0.00	0.00	37.16
<b>Total</b>		<b>25.67</b>	<b>59.17</b>	<b>126.15</b>
Purchase	Chinmay Chemical Private Limited	135.47	0.00	10.32
	Square international	348.39	807.51	13.94
Job Work Charges	Chinmay Chemical Private Limited	102.16	122.29	96.74

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Payables Square International	141.01	140.70	0.00
Chinmay Chemical Private Limited	0.00	0.00	0.00
<b>Total</b>	<b>141.01</b>	<b>140.70</b>	<b>0.00</b>

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Receivables Chinmay Chemical Private Limited	170.65	151.94	140.38
Square International	0.00	0.00	23.22
<b>Total</b>	<b>170.65</b>	<b>151.94</b>	<b>163.60</b>

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Loans and Advances Shivali Agarwal	0.00	0.00	0.00
Vinod Kumar Agarwal	0.00	0.00	1.72
Chinmay Chemical Private Limited	205.26	157.89	157.89
<b>Total</b>	<b>205.26</b>	<b>157.89</b>	<b>159.61</b>

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Unsecured Loan Shivali Agarwal	66.73	0.00	0.00
Vinod Kumar Agarwal	92.01	0.00	0.36
<b>Total</b>	<b>158.74</b>	<b>0.00</b>	<b>0.36</b>

For detailed information on the related party transactions executed by our Company, please refer “Annexure-J(i), J(ii) and J(iii)” under chapter titled “Restated Financial Statements” beginning on page 187 of this Draft Red Herring Prospectus.

## FINANCING ARRANGEMENTS

The Promoters, members of the Promoter Group, the directors of the issuer and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business



of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

## PRE-IPO PLACEMENT

Our Company does not propose to undertake any pre-IPO placement of its Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

## WEIGHTED AVERAGE PRICE & COST OF ACQUISITION

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

Sr. No.	Name of Promoters/ Promoter Selling Shareholder	No. of Equity Shares acquired in the last one year from the date of this DRHP	Weighted Price (in ₹ per equity share)*	Average
<b>Promoters</b>				
1.	Vinod Agrawal	79,60,495	1.26	
2.	Shivali Agrawal <sup>#</sup>	24,45,107	0.00	

\* As certified by M/s Abhishek Kumar & Associates, Chartered Accountants, by way of their certificate dated August 21, 2024.

<sup>#</sup> Shivali Agrawal is the promoter selling shareholder of the offer.

## AVERAGE COST OF ACQUISITIONS OF SHARES

The average cost of acquisition per Equity Share by our Promoters and Promoter Selling Shareholder is set forth in the table below:

Sr. No.	Name of Promoters/ Promoter Selling Shareholders	No. of Equity Shares held	Average cost of acquisition* (in ₹ per equity share)
<b>Promoters</b>			
1.	Vinod Agrawal	85,85,315	3.12
2.	Shivali Agrawal <sup>#</sup>	26,64,596	2.76

\* As certified by M/s Abhishek Kumar & Associates, Chartered Accountants, by way of their certificate dated August 21, 2024.

<sup>#</sup> Shivali Agrawal is the promoter selling shareholder of the offer.

## ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

Except mentioned below, our Company has not issued any equity shares for consideration other than cash during the last one year for further details please refer Chapter titled “*Capital Structure*” on page 77 of this Draft Red Herring Prospectus.

Date of Transaction	Number Shares Purchased/ Sold	Face Value (₹ 10)	Issue Price (₹ 10)	Nature of Consideration	Nature of Allotment
April 18, 2024	94,29,553	10	NA	Other than Cash	Bonus Issue

## SPLIT / CONSOLIDATION

Our Company has not split/consolidated equity shares during the last one year immediately preceding the date of filing this Draft Red Herring Prospectus except as mentioned in the Chapter titled “*Capital Structure*” on page 77 of this Draft Red Herring Prospectus.

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

Our Company has not received any exemption from SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

## SECTION II – RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 130 and 219, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition, and prospects.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. Before making an investment decision, investors must rely on their own examination of the Offer and us.*

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

### **Materiality**

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

- Some events may have material impact qualitatively & quantitatively;
- Some events may not be material individually but may be found material collectively; and
- Some events may not be material at present but may be having material impact in future.

### **Internal Risk Factors**

- 1. We are dependent on a third party i.e. Chinmay Chemicals Private Limited (Chinmay), our group company for supplying our products. Any disruptions at such production or manufacturing facility and their supply chains arrangements, or failure of to adhere to the relevant quality standards may have a negative effect on our reputation, business, and financial condition.***

Our Company is engaged in the business of manufacturing and distribution of dyes and its intermediaries. Majority of our revenue is generated from job work. We have outsourced our key function i.e. manufacturing of our finished product to our group company Chinmay. For the Fiscal Years 2024, 2023, and 2022, we generate 80.00%, 83.02%, and 54.80% of our revenue from operations from our group company, Chinmay, through job work. During the same periods, we manufactured a relatively small percentage of our finished goods, accounting for only 3.94%, 3.18%, and 2.16% of our revenue from operations, respectively. Before

the agreement dated May 15, 2024 with Chinmay Chemicals Private Limited, we operated on a purchase order basis for the production of finished goods and did not have formal written agreements in place with them for this purpose. Under this agreement, we supply the raw materials and provide process/ product formula to Chinmay for the purpose of getting it manufactured and then receive final products for further distribution.

The details of revenue from operations of our Company during the Fiscals ended March 31, 2024, March 31, 2023 and March 31, 2022 have been provided below:

(₹ in Lakhs)

Particulars	2024		For Fiscal Year 2023		2022	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Sales (Job Work)	4,978.48	80.00%	6,297.20	83.02%	3,372.53	54.80%
Trading Sales	994.50	15.98%	1,018.59	13.43%	2,626.59	42.68%
Manufacturing Sales	245.07	3.94%	241.45	3.18%	132.82	2.16%
<b>Total</b>	<b>6,218.05</b>	<b>99.92%</b>	<b>7,557.24</b>	<b>99.63%</b>	<b>6,131.93</b>	<b>99.63%</b>

We are significantly dependent upon Chinmay for manufacturing our products in a timely and efficient manner. In the event, we experience significant increase in demand, we cannot assure you that Chinmay will be able to meet such demand or find suitable substitutes, in a timely manner and at reasonable costs, or at all. Accordingly, the performance of Chinmay and its ability to reach out to our end use customers and execute orders efficiently and in a timely manner is crucial to the future growth of our business. Chinmay may not continue to be successful in efficiently manufacturing our products. Our reliance on Chinmay may also make it more difficult for us to accurately forecast the results of our operations.

Any unscheduled, unplanned or prolonged disruption of operations at Chinmay's manufacturing facility, including on account of power failure, fire, mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence of equipment or manufacturing processes, non-availability of adequate labour or disagreements with workforce, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks, could affect Chinmay's ability to meet our requirements, and could consequently affect our operations. We are also exposed to the risk of Chinmay failing to adhere to the standards set for it by us and statutory bodies in respect of quality, safety, and distribution which in turn could adversely affect our sales and revenues. While there have been no such instances in the past, there can be no assurance that there will not be such instances in the future.

Any negative publicity about the quality of our dyes can adversely affect our reputation, business, and results of operations. We undertake quality control procedures to ensure we are selling only quality dyes to our customers like conducting sample tests on each new batch of products we receive from Chinmay and exercising control over the entire manufacturing process. However, there is no assurance that our quality control measures will be effective. While there have been no such instances in the past, there can be no assurance that there will not be such instances in the future.

**2. We are dependent on a few customers for a major part of our revenues. Further we do not enter long-term arrangements with our customers and any failure to continue our existing arrangements could adversely affect our business and results of operations.**

We are engaged in the business of manufacturing and distribution of dyes for various industries. We are dependent upon our long-term customers. Owing to our long-term association with various industries, including textiles, paper, and chemicals. Our sales are concentrated to a few customers and our revenue from operations from our top 1 customer, top 5 customers and 10 customers as in Fiscal 2024, Fiscal 2023, and Fiscal 2022 is set out below:

(except percentages, amount in lakhs)

Category	For fiscal year					
	2024		2023		2022	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
Top 1 customer	1,186.35	19.06%	1,272.53	16.78%	1,212.98	19.71%
Top 5 customers	3,452.11	55.47%	4,090.70	53.93%	3,828.98	62.21%
Top 10 customers	4,534.51	72.86%	5,895.60	77.73%	4,691.22	76.22%

Currently, we lack any long-term or exclusive agreements with our customers, leaving us unable to guarantee the continuation of historical sales volumes to these parties. If our competitors offer better margins or incentives, there's no assurance that our customers will maintain their orders with us. Typically, our transactions with customers operate on a purchase order basis without a fixed volume commitment, further exposing us to uncertainty regarding future orders. Moreover, there's no guarantee that our customers will adhere to existing terms or continue placing orders with us. Any changes in customer business practices or terms, including payment terms, could significantly impact our business, financial operations, operational results, and cash flow. Additionally, the potential for customers to cancel purchase orders, either abruptly or without notice, poses a risk to our inventory management. Repeated cancellations could severely impact our business, financial status, operational outcomes, and cash flow.

In addition, a portion of our revenue is derived from China. In the fiscal years ending March 31, 2024, March 31, 2023, and March 31, 2022, revenue from our operations in China amounted to ₹ 533.49 Lakhs, ₹ 734.84 Lakhs and ₹ 109.79 Lakhs, representing 8.57%, 9.69%, and 1.78% of our revenue from operations, respectively. There are growing concerns about a potential slowdown in the Chinese economy, along with strained relations between China and India. These factors could negatively impact trade relations between the two countries, potentially affecting our business, particularly in terms of exports to China. Consequently, this may adversely impact our business, results of operations, and future prospects.

**3. We do not have any long-term agreements with our raw material suppliers. If we face difficulties in obtaining the necessary quality and quantity of raw materials in timely manner and at fair prices, or if we fail to secure them altogether, it could detrimentally affect our business, financial performance, and cash flow.**

Our cost of materials consumed which primarily consists of Direct Blue 71, Gamma Acid, MPD -HS, Mix Cleaves Acid, Meta Phenylene Diamine, is a significant portion of our total expenses. We procure raw materials from our suppliers based on purchase orders and we do not have any purchase agreements or firm commitments with them. There have been no instances where supplier did not perform obligation in a timely manner, in Fiscals 2024, 2023 and 2022. We depend on third-party suppliers for our raw materials, on a purchase order basis. In past there have been some instances where raw materials after being inspected on specifications and parameters, as directed by our quality plans, were rejected. For further details, see “Our Business –Procurement of Raw Material” on page 134. The majority of the raw materials that we consume comprises of Direct Blue 71, Gamma Acid, MPD -HS, Mix Cleaves Acid, Meta Phenylene Diamine is subject to fluctuation in commodity prices. Our purchases of raw materials are concentrated from a few suppliers. The details of this concentration are provided in the following table:

(₹ in lakhs)

Types of suppliers	For year ended March 31, 2024		For year ended March 31, 2023		For year ended March 31, 2022	
	Amount of purchases of raw material	% of total purchases of raw material	Amount of purchases of raw material	% of total purchases of raw material	Amount of purchases of raw material	% of total purchases of raw material
Top 10 suppliers	3,885.17	65.82%	4,644.39	67.27%	3,132.98	63.34%
Top 3 domestic suppliers	2,111.68	35.77%	2,653.97	38.44%	1,589.24	32.13%
Top 3 foreign suppliers	342.81	5.81%	160.97	2.33%	422.64	8.54%

Our ability to remain competitive, manage costs, and sustain profitability relies, in part, on our capacity to secure and uphold a consistent, adequate supply of raw materials at reasonable rates. Relying on external suppliers for all raw material needs, we typically engage in advance purchase orders based on projected requirements, emphasizing the significance of maintaining favourable relationships with our suppliers for our business success. Nonetheless, the absence of long-term supply contracts exposes us to various risks, including price volatility driven by factors such as commodity and currency fluctuations, climatic and environmental conditions, transportation costs, governmental policy changes, regulatory shifts, and trade sanctions. Moreover, with our reliance on imported raw materials from China, Marshall Islands and Hong Kong from which these were sourced in the past three fiscal years, our exposure to foreign exchange rate fluctuations and import duties remains pronounced, potentially impacting operating margins. Failure to fully offset rising raw material costs with product price increases could lead to diminished profit margins, adversely affecting our operational results, financial standing, and potentially lead to a liquidity crunch. In the absence of such contracts, we are also exposed to the risk of unavailability of raw materials in desired quantities and qualities, in a timely manner.

While our past experiences in raw material procurement have been relatively smooth, the onset of the COVID-19 pandemic led to temporary disruptions in our ability to source materials from specific vendors, who encountered logistical challenges in transporting goods to us. Consequently, there is uncertainty regarding our future capacity to procure the requisite quantities and quality of raw materials as per our operational needs. Moreover, there is no guarantee of continued supply from any specific supplier to supply us with raw materials in the future. Delays in delivering finished products to customers, due to delays in raw material procurement, could potentially lead to customer rejection of our products, thereby negatively impacting our business and reputation. Furthermore, we cannot assure you of our ability to negotiate new agreements with suppliers on terms favourable to us, which could have an adverse effect our ability to source raw materials in a commercially viable and timely manner, thereby affecting our commitments to customers and, consequently, our business profitability.

Furthermore, our reliance on historical trends to forecast the required quantities of raw materials for fulfilling purchase orders from customers exposes us to several risks. There's a possibility of over-purchasing raw materials, leading to risks associated with prolonged storage and potentially impacting our financial results. If customer orders exceed our calculated historical trends, we may not be able adequately to source the necessary raw materials promptly and may lack the manufacturing capacity to meet heightened demand. Moreover, if a significant number of our suppliers fail to meet our requirements or if our estimates underestimate demand, we could face shortages or substantial cost escalations. Persistent disruptions in the supply chain could escalate costs, and there's no assurance that we can pass these increased costs onto customers promptly or at all, potentially negatively affecting our business, overall profitability, and financial performance.

***4. Our existing and proposed manufacturing units are located in Gujarat. Any localized social unrest, natural disaster, service disruption, or other unforeseen events in or around Gujarat could lead to production interruptions or shutdowns at our facilities. Such disruptions could have a material adverse effect on our business and financial condition.***

As on the date of this Draft Red Herring Prospectus, our existing and proposed manufacturing units are located within the state of Gujarat, India. Our manufacturing operations and consequently our business is dependent upon our ability to manage the unit, which is subject to operating risks, including those beyond our control. In the event of any disruptions at our unit, due to natural or man-made disasters, workforce disruptions, delay in regulatory approvals, fire, failure of machinery, lack of continued access to assured supply of electrical power and water at reasonable costs, changes in the policies of the states or local government or authorities or any significant social, political or economic disturbances or civil disruptions in and around Gujarat our ability to manufacture our products may be adversely affected.

Further, any materially adverse social, political, or economic development, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect our manufacturing operations, and require a modification of our business strategy, or require us to incur

significant capital expenditure or suspend our operations. Any such adverse development affecting continuous operations at our manufacturing units could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects. Further, the spiralling cost of living around our manufacturing units may push our manpower costs higher, which may reduce our margin and cost competitiveness.

**5. Our primary source of revenue largely depends on a sale of Direct Dyes and Intermediaries. Consequently, any downturn in sales within these segments would significantly hamper our operations and profitability.**

We manufacture and distribute a range of dyes including Direct, Intermediate, Acid, Reactive, Solvent, and Basic Dyes. However, a significant portion of our revenue comes from Direct and Intermediate Dyes. Combined, these products account for 70.58%, 66.29%, and 64.35% of our operational revenue for the fiscal years 2024, 2023, and 2022, respectively.

Product	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Amount (₹ in Lakhs)	% of revenue from operations	of	Amount (₹ in Lakhs)	% of revenue from operations	of	Amount (₹ in Lakhs)	% of revenue from operations	of
Direct Dye	2,262.79	36.36%		1,915.83	25.26%		1,132.06	18.39%	
Intermediate	2,129.40	34.22%		3,112.51	41.03%		2,828.81	45.96%	
Acid Dye	1,198.29	19.25%		1,111.97	14.66%		821.23	13.34%	
Reactive Dye	442.00	7.10%		174.31	2.30%		0.00	0.00%	
Solvent Dye	169.06	2.72%		1,098.49	14.48%		1,265.49	20.56%	
Basic Dye	16.51	0.27%		144.12	1.90%		84.34	1.37%	
<b>Total</b>	<b>6,218.05</b>	<b>99.92</b>		<b>7,557.24</b>	<b>99.63</b>		<b>6,131.93</b>	<b>99.63</b>	

Depending heavily on sale of these products for a substantial portion of our revenue brings forth various risks such as potential declines in future demand, intensified competition from both domestic and international manufacturers, the invention of superior and cost-effective technologies, fluctuations in raw material prices and availability, shifts in regulations and import duties, and the cyclical patterns inherent in our customers' businesses. Any incidence of such events has the potential to substantially diminish our revenues, consequently having a material adverse impact on our operational outcomes and financial standing.

**6. Our business is dependent on the performance of certain industries. Economic cyclicality coupled with reduced demand in these other industries, in India or globally, could adversely affect our business, results of operations and financial condition.**

We are dependent on the following two industries for deriving a major portion of our revenues. The following table sets forth revenues generated from the sale of products on restated financial statement from each of the other industries for the periods indicated:

Industry	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Amount (₹ in Lakhs)	% of revenue from operations	of	Amount (₹ in Lakhs)	% of revenue from operations	of	Amount (₹ in Lakhs)	% of revenue from operations	of
Paper and Textile	4,088.65	65.75%		4,444.73	58.81%		3,303.12	53.87%	

Industry	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in Lakhs)	% of revenue from operations	Amount (₹ in Lakhs)	% of revenue from operations	Amount (₹ in Lakhs)	% of revenue from operations
Chemical	2,129.40	34.25%	3,112.51	41.19%	2,828.81	46.13%
<b>Total</b>	<b>6,218.05</b>	<b>100.00%</b>	<b>7,557.24</b>	<b>100.00%</b>	<b>6,131.93</b>	<b>100.00%</b>

Any slowdown in the above industries or any loss of business from, or any significant reduction in the volume of business with, customers operating in these other industries, if not replaced, could materially and adversely affect our business, financial condition, and results of operations. As a result of our dependence on customers in these industries, we are exposed to fluctuations in the performance of these industries globally, and in India. These industries are sensitive to factors such as consumer demand, consumer confidence, disposable income levels and employment levels. Moreover, they are also affected by other factors such as national and international trade, changes in government policies, environmental, health and safety regulations, commodity prices and oil prices. A decline in our customers' business performance may also lead to a corresponding decrease in demand for our products. Although there have been instances of variation in demand of our products (as provided in the table above) the same has not had a material adverse effect on the overall business, results of operations, cash flows and financial condition of our Company. A sustained decline in the demand for products produced by our key customers could prompt them to cut their production volumes, directly affecting the demand from customers for our products. Unfavourable industry conditions can also result in an increase in commercial disputes and other risks of supply disruption.

**7. A significant portion of our domestic revenues are derived from the West Zone and any adverse developments in this market could adversely affect our business.**

Set forth below is certain information on our geography-wise domestic revenue from operations is on restated financial statement for the periods indicated:

Zone	State	For the financial year ended					
		March 31, 2024		March 31, 2023		March 31, 2022	
		(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue
West	Gujarat	5,293.29	85.06%	4,777.66	62.99%	4,042.83	65.69%
	Maharashtra	23.38	0.38%	41.38	0.55%	68.89	1.12%
South	Tamil Nadu	0.06	0.00%	-	-	-	-
East	West Bengal	-	-	-	-	2.39	0.04%
North	Delhi	-	-	-	-	4.78	0.08%
	<b>Total</b>	<b>5,316.73</b>	<b>85.43%</b>	<b>4,819.04</b>	<b>63.53%</b>	<b>4,118.89</b>	<b>66.92%</b>

Historically, a significant portion of our revenue has been generated from sales in the West Zone. Consequently, any adverse social, political or economic development, natural calamities, civil disruptions, regulatory changes or shifts in the policies of the state or local government within this region could negatively affect our manufacturing and distribution operations, resulting in modification of our business strategy or require substantial significant capital expenditure, thereby materially affecting our business, financial health, operational outcomes, and cash flows. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products, 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, financial condition, and cash flows. The occurrence of such events or our inability to effectively manage, the regional competition, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

**8. If there are delays in setting up the Proposed Facility or if the costs of setting up and the possible time or cost overruns related to the Proposed Facility or the purchase of plant and machinery for the**

***Proposed Facility is higher than expected, it could have a material adverse effect on our financial condition, results of operations and growth prospects.***

We are in the process of setting up new manufacturing facility to be located at Dahej, Sambheti Village, Bharuch District, Gujarat (*“Proposed Facility”*). Out of the Net Proceeds, ₹ 1,178.95 lakhs are proposed to be utilized towards funding capital expenditure requirements Setting up of a new manufacturing facility located at Dahej, Bharuch, Gujarat. The Proposed Facility is expected to have an installed capacity of 6,000 MTPA and will primarily focus on manufacturing Synthetic Organic Dyes which will majorly serve to Food and Cosmetic industry, as well as the continued production of existing products. For further information in relation to the Proposed Facility, please see *“Objects of the Offer – Setting up of a new manufacturing facility located at D-3/26/3, Dahej III, Industrial Estate, Dahej-392 130, Vagra, Bharuch, Gujarat”* on page 93 of this Draft Red Herring Prospectus. The Proposed Facility is expected to commence by April 2025. The completion of the setting up of the Proposed Facility is dependent on our ability to arrange finance through Net Proceeds or otherwise, the performance of external agencies which are responsible for inter alia construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that we will be able to arrange for such finance on time. Further, we cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. We may not be able to identify suitable replacement external agencies in a timely manner. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns. However, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of our shareholders may be diluted. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business prospects could be adversely affected.

The estimated costs for setting up the Proposed Facility is based on the certificate dated August 12, 2024 given by M/s Sanjaysingh Bist, Independent Chartered Engineers, are management’s estimates and current conditions which are subject to change, owing to prospective changes in external circumstances, costs, and other financial conditions. There could be delays in setting up the Proposed Facility as a result of, amongst other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors’ or external agencies’ failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, cost escalation and/ or force majeure events (including the continuing impact of the COVID-19 pandemic, geopolitical tensions, etc.), any of which could give rise to cost overruns and delays in our implementation schedules.

If the actual capital expenditures on setting up the Proposed Facility significantly exceed our budgets, we may not be able to achieve the intended economic benefits of the Proposed Facility which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion or commissioning of our plants and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

The new manufacturing facility will require us to obtain various approvals, that are routine in nature including approvals such as consent to establish, consent for operations, fire-no objection certificate under applicable law in relation to the manufacturing facility. There can be no assurance that we will be able to obtain these registrations, licenses and approvals including approvals in relations to power and water procurement in a timely manner or at all, which could result in an adverse effect on our business, prospects, and results of operations.

***9. Delay in payment of loans to our secured lender.***

Our company had taken loan from Indian Overseas Bank dated August 30, 2011 for Cash Credit and Letter of Credit. Our company had made delay in payment of cash credit facility availed in the financial Year 2023-24 for the months from June 2023 to March 2024. Our company was categorised as SMA-1 and SMA-2 category by the bank due to such delay in payment of dues. However as on date, the company is not in default as on the date of the DRHP.



In the past we have made late payments to our secured lender, there can be no assurance that such a situation may not arise in future, the occurrence of such events or our inability to effectively make the payment of loan, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

**10. We may face several risks associated with setting up our proposed manufacturing unit, which could hamper our growth, prospects, cash flow and business and financial condition.**

We intend to utilize a portion of the Net Proceeds of this Offer towards setting up our proposed manufacturing facility. For further details, please refer to the chapter titled “Object of the Offer” at page 91 of this Draft Red Herring Prospectus. During the process of setting up our proposed manufacturing unit, we may face several difficulties such as cost overruns or delays for various reasons, including, but not limited to, our financial condition, changes in business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management.

In view of the above, any delay in setting up our proposed manufacturing unit could lead to revenue loss for our Company. Further, our execution plan may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favorable to us or at all. We cannot assure that we will be able to complete setting up our proposed manufacturing unit in accordance with the proposed schedule of implementation and any delay in setting up such plants in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition. Furthermore, the quotations for plant and machinery and civil works received by us from various suppliers and contractors might expire and we may be compelled to purchase the same at a higher cost. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled “Objects of the Offer” and “Our Business” on pages 91 and 130, respectively of this Draft Red Herring Prospectus.

**11. We have significant working capital requirements for our smooth day to day operations of business and discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.**

Our Company’s working capital needs for a specific period are influenced by various factors, such as the size and timing of orders to be fulfilled, the size of the order backlog, and customer payment terms. Based on historical trends, we anticipate a significant increase in our working capital requirements.

The table below sets forth our working capital for the Financial Years 2024, 2023 and 2022 and projected figures for Financial Years 2025 and 2026 on the basis stated below:

(₹ in lakhs)					
Particulars	Year ended on March 31, 2026	Year ended on March 31, 2025	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
<b>Current Assets</b>					
a. Inventories	2,311.31	1,849.32	1,758.04	885.81	476.20
b. Financials Assets					
i. Trade Receivable	2,739.73	2,465.75	2,073.85	2,183.97	2,228.73

Particulars	Year ended on March 31, 2026	Year ended on March 31, 2025	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
ii. Cash and Cash Equivalents	150.00	100.00	11.18	22.63	16.72
c. short term loans and advances	50.00	60.00	21.80	27.66	51.33
d. Other financial assets and current assets	200.00	300.00	51.42	178.60	95.75
<b>Total Current Assets (A)</b>	<b>5,451.04</b>	<b>4,775.07</b>	<b>3,916.29</b>	<b>3,298.66</b>	<b>2,868.73</b>
<b>Current Liabilities</b>					
a. Financial Liabilities					
i. Trade payables	1,734.20	1,825.48	1,862.73	1,722.99	1,894.99
b. Short term provisions	150.00	120.00	155.63	70.84	55.88
c. Other current liabilities	24.50	25.00	27.25	25.79	17.61
<b>Total Current Liabilities (B)</b>	<b>1,908.70</b>	<b>1,970.48</b>	<b>2,045.61</b>	<b>1,819.62</b>	<b>1,968.48</b>
<b>Working Capital (C=A-B)</b>	<b>3,542.34</b>	<b>2,804.59</b>	<b>1,870.68</b>	<b>1,479.04</b>	<b>900.25</b>
<b>Means of Finance</b>	3,342.34	2,104.59			
Borrowing/Internal Accruals	3,342.34	2,104.59	<b>1,870.68</b>	<b>1,479.04</b>	<b>900.25</b>
Amount proposed to be utilized from Net Proceeds	200.00	700.00	-	-	-
<b>Total Means of Finance</b>	<b>3,542.34</b>	<b>2,804.59</b>	<b>-</b>	<b>-</b>	<b>-</b>

Our business requires funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement, or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, at a future date, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects. For further details regarding incremental working capital requirement, please refer to the chapter titled “Objects of the Offer” beginning on page 91 of this Draft Red Herring Prospectus.

***12. We operate our Registered Office and manufacturing facility, Corporate Office, and Godown that are held by us on leasehold basis. In the event we lose or are unable to renew such leasehold rights, our business, results of operations, financial condition, cash flows and prospects may be adversely affected.***

We operate our Registered Office and manufacturing facility, Corporate Office, and Godown that are held by us on, on leave and license basis, details whereof are as under:

Sr. No.	Details of the properties	Description of properties	Area	Purpose of usage
1.	C-8, GIDC Estate, Naroda, Ahmedabad-382330, Gujarat, India	Agreement dated July 26, 2024, between Gujarat Industrial Development Corporation (Licensor) & Arunaya Organics Limited (Licensee) for a term of 99 years from January 28, 1971.	230.86 Sq. ft.	Registered Office and Manufacturing facility
2.	102, First Floor, Shoppers Plaza ‘V’, Opp. Municipal Market, C.G. Road, Nayrangpura, Ahmedabad- 380006, Gujarat, India.	Agreement dated June 22, 2024, between Shivali Agrawal (Licensor) & Arunaya Organics Limited (Licensee) for a term of 2 years 11 months from June 22, 2024.	800 sq. yard	Corporate Office
3.	Plot No. 148/3, Shed No. K-1-5, Naroda	Agreement dated April 30, 2024, between Patel Jayesh Kanubhai	Approx 576 Sq. Mtrs.	Godown

Sr. No.	Details of the properties	Description of properties	Area	Purpose of usage
	G.I.D.C, Ahmedabad, India	(Licensor) & Arunaya Organics Limited (Licensee) for a term of one year from February 01, 2024.		

These properties are subject to several conditions, some of which could be onerous. Failure to adhere to or comply with these conditions may lead to termination, revocation, or suspension of the relevant leave and license agreement.

We cannot assure you that we will not default on the terms and conditions of the agreements. We cannot assure you that we shall continue to be able to operate out of our existing premises or renew our existing licenses at favourable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements, and we cannot assure that the new arrangements will be on commercially acceptable terms. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations. Moreover, we may face significant increases in the rental rates. We cannot assure you that we may be able to do so in a timely manner. If we lose our rights on the properties or are required to negotiate terms or to relocate our business operations or shut down our Registered Office and manufacturing facility, Corporate Office and godown we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

***13. Our success depends on stable and reliable logistics and transportation infrastructure. Disruption of logistics and transportation services could impair the ability of our suppliers to deliver raw materials or our ability to deliver products to our customers and/ or increase our transportation costs, which may adversely affect our operations.***

We utilize third party transportation services by road for transport of raw materials and our products from/ to our suppliers and customers. Further, we rely on the freight ships for the transport of imported raw material. The transportation involves risks, including, collision, grounding, storm, fire, explosion, lightning, political instability, allotment of rakes, allotment of berths for cargo ships for our imports and operating restrictions/ lockdown consequent to outbreak of infectious diseases, such as the COVID- 19 pandemic. Any delay or disruption caused to the transportation of raw materials, or our products could adversely impact our ability to procure the raw materials as well as to meet the delivery schedule of our products in an economical manner. To ensure timely delivery of our products, we may also be required to maintain relatively high level of inventory of raw materials, and this may also resultantly increase our cost.

***14. We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure.***

Our funding capital expenditure requirements towards our proposed manufacturing facility at Dahej III Industrial Estate, Gujarat. Accordingly, orders worth ₹ 632.22 Lakhs, which constitute 53.63% of the total estimated costs of the machinery and equipment in relation to setting up the proposed unit are yet to be placed. There can be no assurance that we will be able to place orders for such plant and machinery, in a timely manner or at all. We have not entered into any definitive agreements to utilize the Net Proceeds for these objects of the Offer and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Additionally, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details, see “Objects of the Offer” on page 91.

The objects of the Offer have not been appraised by any bank or financial institution, and our funding requirement is based on current conditions, internal estimates, estimates received from the third-party agencies and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Such internal estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, results of operations, financial condition and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. Further, pursuant to Section 27 of the Companies Act, any variation in the Objects of the Offer would require a special resolution of the shareholders and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law.

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

***15. We are involved in certain legal proceedings, which, if determined adversely, may affect our business and financial condition.***

As on the date of filing this Draft Red Herring Prospectus, there are outstanding legal proceedings initiated by or against our Company, Promoters, Directors, and Group Company that are incidental to our business and operation. A summary of outstanding litigation proceedings involving our Company, our promoters, our directors, and our group company as on the date of this Draft Red Herring Prospectus is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges	Material civil litigations	Aggregate amount involved (₹ in lakhs)
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	3	-	-	-	135.56
<b>Directors</b>						
By the Directors	-	-	-	-	-	-
Against the Directors	3	1	-	-	-	135.40
<b>Promoters</b>						
By the Promoters	-	-	-	-	-	-
Against the Promoters	3	1	-	-	-	135.40
<b>Group Company</b>						
By the group company	-	-	-	-	-	-
Against the group company	-	-	-	-	-	-

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

For further details of certain material legal proceedings involving our Company, our Promoters and our directors, see “*Outstanding Litigations and Material Developments*” beginning on page 229 of this Draft Red Herring Prospectus.

***16. There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company.***

We have obtained the search report on RoC filing from the PCS firm M/s H Togadiya & Associates vide their report dated August 16, 2024. According to that report, in the past, there have been instances of delays in filing statutory forms such as Form 2, Form 32, Form 18, Form 8, Form 23B, Form MSME-1, Form CHG-1, Form DPT-3, Form PAS-3, and Form SH-7, as per the reporting requirements under the Companies Act, which have been subsequently filed by payment of an additional fee as specified by RoC.

Further, there have been certain discrepancies in relation to statutory filings required to be made by the company with the RoC under applicable laws, as well as certain other non-compliances incurred by us under the Companies Act details of which are provided hereunder which have been intimated to the RoC by way of filing e-form GNL-2 form through letter dated August 06, 2024. The details of such discrepancies/errors are provided below:

- a) Our Company did not file explanatory statement with the EGM resolution, the EGM resolution did not have alteration of MOA clause details mentioned and altered MOA was not certified by the director in the MGT-14 form dated March 10, 2022. Our company has voluntarily refiled MGT-14 on July 31, 2024 before the RoC and the is been informed to ROC via GNL-2 dated August 09, 2024.
- b) Our Company has inadvertently made typographical errors in the forms ADT-1, ADT-3, PAS-3, MGT-14, Form 2, Form 5, Form 18, Form 32 like in Form 18 proof of address of registered office was not attached in the form and in form MGT-14 for conversion of Private Limited to Public Limited the resolution didn't mention that it was a special resolution and date and place of signing the resolution is not mentioned. However, Board of Directors of our Company has taken the note of the said discrepancies found in the statutory forms. These clerical errors were not substantial in nature and the concerned ROC has not issued any show-cause notice in respect to the above has been received by our Company till date and except as stated in this Draft Red Herring Prospectus, no penalty or fine has been imposed by any regulatory authority in respect to the same.

Although, no regulatory action, fine or penalty has been taken/ levied on our Company for the abovementioned purported default / non-compliance, however, it cannot be assured that no such regulatory action, fine or penalty will be taken/ levied in the future. Further, we cannot assure you that such non-compliances will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on us or take certain punitive actions against our Company or its directors/ officers in relation to the same, our business and financial condition could be adversely affected.

***17. There have been some instances of delays in filing of statutory and regulatory dues in the past with the various government authorities.***

In the past, there have been certain instances of delays in filling statutory & regulatory dues with respect to Employees Provident Fund (EPF), Employee Insurance and Professional Tax. These delays were majorly due

oversight by the staff/accountant vested with the duty of making payments. As result, the Company has filed returns and payment with delay penalty. However, the Board of Directors of our company has taken note of these delays in fulfilling our statutory and regulatory obligations. There can be no assurance that delays or default with respect to payment of statutory and regulatory dues will not occur in the future which in turn may affect our reputation and financial results.

**18. Under-utilization of our production capacities could have an adverse effect on our business, future prospects, and future financial performance.**

We are operating out of one unit in Naroda, Ahmedabad with an aggregate estimated installed production capacity of 30 metric ton per annum for dyes and intermediaries. Our profitability relies on our ability to optimize our product mix by focusing on high-margin products and those with steady long-term demand, while also balancing supply and demand in the market. In particular, the level of our capacity utilization can impact our operating results. Capacity utilization is also affected by our product mix and the demand and supply balance. The following table sets forth certain information relating to capacity utilization of our Unit calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Products	Units	2023-24				2022-23			2021-22	
		Capacity (MT)	Production (MT)	Utilisation (MT)	Capacity	Production (MT)	Utilisation (MT)	Capacity	Production (MT)	Utilisation (MT)
Dyes and intermediaries	Capacity	30	30	30	30	30	30	30	30	30
	Production	30	29.90	99.80%	30	29.10	97%	30	28	93%

*As certified by M/s Sanjaysingh Bist, Independent Chartered Engineer vide his certificate dated August 20, 2024.*

For further information, see “Our Business – Capacity and Capacity Utilization” starting from page 137 of this Draft Red Herring Prospectus. These percentage are not indicative of future capacity utilization, which are dependent on various factors, including demand for our products, availability of raw materials, shipping cost, our ability to manage our inventory and improving operational efficiency. Under-utilization of our production capacities over extended periods or significant under-utilization in the short-term could materially and adversely impact our business, growth prospects and future financial performance. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing unit, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of electricity, water or because of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing unit, resulting in operational inefficiencies which could have a materially adverse effect on our business and financial condition.

**19. The shortage or non-availability of power may adversely affect our business, result of operations, financial conditions, and cash flows.**

Expenses in the years/ periods indicated below:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ lakhs)	Percentage of Revenue from Operations (%)	Amount (₹ lakhs)	Percentage of Revenue from Operations (%)	Amount (₹ lakhs)	Percentage of Revenue from Operations (%)
Electricity Expense	9.13	0.15%	8.90	0.12%	6.24	0.10%
Power and Fuel and Conveyance Expense	1.89	0.03%	0.36	0.00%	0.89	0.01%
<b>Total</b>	<b>11.02</b>	<b>0.18%</b>	<b>9.26</b>	<b>0.12</b>	<b>7.13</b>	<b>0.11</b>

We have our manufacturing facility depends on the delivery of an adequate and uninterrupted supply of electrical power. We rely upon diesel generator sets for certain units to ensure continuity of operations in case of power outage. There have been no major instances of power failure in the last three years. For further details, see “*Our Business – Utilities*” on page 141 of this Draft Red Herring Prospectus. There can be no assurance that electricity supplied to our existing manufacturing facility will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. If the per unit cost of electricity is increased by the state electricity board our power cost will increase. Any changes in government policies or local power and water shortages could adversely affect our production facility and ultimately our operations or financial condition may be adversely affected. A prolonged suspension in production could materially and adversely affect our business, financial condition, results of operations or cash flows.

***20. In our operations, we operate within a highly regulated industry, requiring strict adherence to environmental, health, and safety regulations. Non-compliance risks legal liabilities increased operational expenses, and adverse effects on our financial performance, potentially prompting further compliance obligations.***

We are engaged in the business of manufacturing dye which entails working with hazardous materials. Our operations are subject to significant risks associated with manufacturing these products, necessitating compliance with various laws and regulations pertaining to safety, health, and environmental protection. These regulations cover a range of concerns including pollutant discharge into air and water, noise mitigation, proper storage, handling, and disposal of waste materials, as well as safeguarding employees from hazardous substances. Additionally, they address potential industrial accidents, fires, damage to our or third-party property, and environmental harm. In accordance with these laws and regulations, we are obligated to manage the use of hazardous or environmentally objectionable materials in our production processes and to restrict their discharge or disposal. While our company believes that it has implemented necessary controls and processes, non-compliance may result in penalties or fines being levied against us. Also, the individuals responsible for such breaches or non-compliance, including our directors and officers, may face legal consequences, potentially including imprisonment.

Moreover, any breach or non-compliance could lead to the suspension, withdrawal, or termination of our manufacturing licenses, resulting in disruptions to our operations. If any significant penalties or fines be imposed, or if any of our manufacturing licenses are suspended, withdrawn, or terminated, it would have adverse effects on our business operations and financial performance. Such occurrences would not only damage our reputation but also temporarily diminish our manufacturing capacity, thereby negatively impacting our business, operational results, and reputation. Furthermore, environmental damages could intensify regulatory scrutiny, leading to enhanced compliance requirements, including stricter regulations on material usage and effluent treatment. Consequently, this would escalate the operational costs of our business.

For further details, please refer to chapters titled “*Our Business*” and “*Government and Other Key Approvals*” beginning on pages 130 and 236 respectively.

**21. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.**

We sell at our standard terms with payment due before dispatch and conduct our business on the basis of various milestone payments. A small percentage of our sales are to customers on an open credit basis, with standard payment terms of generally between 90 to 120 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate.

The table set forth below sets forth our trade receivables and receivable turnover days in the periods indicated as well as bad debts written off– which have significant increase in credit risk.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations	Amount (₹ in lakhs)	% of revenue from operations
Trade Receivables	2,073.85	33.32%	2,183.97	28.79%	2,228.73	36.21%
Bad debts written off	-	-	24.82	0.33%	25.97	0.42%

Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

**22. Our Company does not have any documentary evidence for the past education qualification of Ashokbhai Agrawal.**

Ashokbhai Agrawal was unable to provide documentation evidencing his past education qualification. Due to the lack of documents and relevant information from him, we have disclosed details of his education qualification based on his application dated August 07, 2024, to Technical Examination Board for duplicate Degree Certificate for Diploma in Mechanical Engineering and the profile provided by him. This detail is included in his biography in the chapter titled “Our Management” as required under the SEBI ICDR Regulations. For further information, please refer to the chapter titled “Our Management” on page 165 of this Draft Red Herring Prospectus.

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

We have experienced negative cash flows from our operating activities, investing activity and financing activities in the Financial Years 2024, 2023 and 2022. The following table summarizes our cash flows data for the periods indicated:



Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Net cash from operating activities	249.69	(214.00)	83.59
Net cash from investing activity	(45.90)	(23.61)	(456.74)
Net cash from financing activity	(215.24)	243.53	372.20

There can be no assurance that our net cash flows will be positive in the future. Any negative cash flows in the future could adversely affect our results of operations and financial condition, and we cannot assure you that our net cash flows will be positive in the future.

***24. Our Promoters and Directors have interests in entities, which are in businesses similar to ours and this may result in potential conflict of interest with us.***

Our Promoters and Promoter Group entities namely; Chinmay Chemicals Private Limited, are engaged in similar line of a business according to main object of Memorandum of Association. There are, and may be, certain transactions between our company and Chinmay, in the ordinary course of business and at arms' length price. However, a potential conflict of interest may occur between our promoters, directors due to having similar line of business. For further details, please see *"Our Management"* and *"Our Promoters and Promoter Group"* on pages 165 and 180, respectively of this draft red herring prospectus. Our promoters and directors, and their related entities may compete with us and have no obligation to direct any opportunities to us. We cannot assure you that these or other conflicts of interest will be resolved in an impartial manner.

***25. Our Promoters have provided personal guarantee for loans availed by us.***

In the event of default of the debt obligations, the personal guarantees may be invoked thereby adversely affecting our Promoters' ability to manage the affairs of our Company and our Company's profitability and consequently this may impact our business, prospects, financial condition, and results of operations. Our Company has availed loans in business. Our Promoters have provided personal guarantee in relation to certain loans availed by our Company, for details please see *"Financial Indebtedness"* on page 227. In the event of default in repayment of the loans by the Company, the personal guarantee extended by our Promoters may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations.

***26. Our Promoters and Promoter Group will be able to exercise significant influence and control over our operations after the offer and may have interests that are different from those of our other shareholders.***

As of the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group collectively hold 91.73% of our issued and outstanding equity share capital. Post the offer, our Promoters and Promoter Group will continue to hold [●]% of our issued and outstanding Equity Share capital. By virtue of their shareholding, our Promoters and Promoter Group will have the ability to exercise significant control and influence over our affairs and business, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation, or sale of substantially all our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters and Promoter Group may be different from or conflict with the interests of our other shareholders and their influence may result in change of our management or in our control, even if such a transaction may not be beneficial to our other shareholders.

***27. Our Promoters, Directors and Key Managerial Personnel may have interest in our Company, other than reimbursement of expenses incurred, remuneration or other benefits received.***

Our Promoters, Directors and Key Managerial Personnel may be deemed to be interested to the extent of the Equity Shares held by them and benefits deriving from their shareholding in our Company. Our Promoters are interested in the transactions entered between our company and themselves as well as between our

company. For further details, please refer to the chapters titled “*Our Business*” and “*Our Promoters and Promoter Group*”, beginning on page 130 and 180 respectively and the chapter titled “*Annexure J(i), J(ii), J(iii) – Related Party Transactions*” of restated financials and “*Annexure J(i), J(ii), J(iii) – Related Party Transactions*” of restated financials under chapter titled “*Restated Financial Statements*” beginning on page 187 of this Draft Red Herring Prospectus.

***28. Our success depends heavily upon our individual Promoters, Directors, and SMPs for their continuing services, strategic guidance, and financial support.***

The success of the company depends heavily upon the continuing services of individual promoters, directors and Senior Management Personnel who are the natural person and in control of the Company. The Promoter has established cordial relations with suppliers, which have benefitted the Company’s current relationship with its suppliers. The Company believes that our promoters, have invaluable experience that has helped the Company expand its business into multiple segments such as Acid Dye, Basic Dye, Direct Dyes or Substantive Dye, Solvent Dye, Intermediate Dye and Reactive Dye, thereby allowing the Company to experience growth and profitability. The company benefits from its relationship with its Promoters and the success of the company depends upon the continuing services of Promoters who have been responsible for the growth of business and are closely involved in the overall strategy, direction, and management of business.

***29. Information relating to the installed production capacity and capacity utilization of our manufacturing unit included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.***

We have availed the services of an independent third-party chartered engineer, M/s Sanjaysingh Bist, to prepare a Chartered Engineer certificate dated August 12, 2024 for purposes of inclusion of such information in this Draft Red Herring Prospectus. Information relating to the installed production capacity and capacity utilization of our manufacturing unit included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management that have been considered by an independent chartered engineer while calculating the installed production capacity of, and actual production volumes at, our manufacturing unit. The assumptions and estimates include the standard capacity calculation practices of the dye industry after examining the period during which the manufacturing unit were operational during the year, the expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies, and taking into account the number of working days in a year, number of days in a month, number of shifts in a day and average number of batches per day. Actual production capacity, production levels and utilization rates may therefore vary from the information of our manufacturing unit included in this Draft Red Herring Prospectus or from the historical installed production capacity information of our manufacturing unit depending on the product type. Accordingly, undue reliance should not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

***30. We have entered and may continue to enter into related party transactions and there can be no assurance that such transactions have been on favourable terms.***

We have entered certain transactions with related parties may continue to do so in future. While our Company believes that all such transactions have been conducted on arms-length basis and is in compliance with the Companies Act and other applicable laws, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our company will enter into related party transactions also in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to “*Annexure J(i), J(ii), J(iii) – Related Party Transactions*” of restated financials under section titled “*Financial Information*” on page 187 of this Draft Red Herring Prospectus.

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

Our contingent liability as on March 31, 2024, was ₹ 135.51 Lakhs. If this contingent liability materializes, fully or partly, the financial condition of our Company could be affected.

Particulars	For Fiscal Year		
	March 31, 2024	March 31, 2023	March 31, 2022
Income Tax Demand	46.56	46.56	46.56
GST	88.95	-	-
<b>Total</b>	<b>135.51</b>	<b>46.56</b>	<b>46.56</b>

For more information, regarding our contingent liabilities, please refer “Annexure H” in chapter titled “Financial Information” beginning on page 187 of this Draft Red Herring Prospectus.

**32. Our Company has unsecured loans with a total outstanding amount of ₹ 1,183.28 Lakhs as of July 31, 2024, that may be recalled by the lenders at any time.**

Our Company has currently availed certain secured loans. The total outstanding amount of the unsecured loan as of July 31, 2024, was ₹ 1,183.28 Lakhs. These loans may be recalled by the lenders at any time. The financing agreements that we have entered for availing the secured loans contain negative covenants, including for any changes in the capital structure, any schemes of amalgamation/ re-construction must be agreed by the Bank prior to being undertaken, lend or advance funds to or place deposits with Sisters/Associate/Group concerns or any other concerns or undertakings any guaranteed obligation on behalf of any company, etc. Any failure to service such indebtedness, or otherwise perform any obligations under such financing agreements may lead to termination of one or more of our credit facilities or incur penalties and acceleration of payments under such credit facilities, foreclosure on our assets, trigger cross-default provisions under certain of our other financing agreements which may adversely affect our financial condition and our ability to conduct and implement our business plans. Although we have received consents/NOC from our lenders for undertaking the Offer, these restrictive covenants may affect some of the rights of our Shareholders. In the event that any lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all and this may affect our Company’s liquidity. As a result, any such demand may materially and adversely affect our business, cash flows, financial condition, and results of operations. For further details of these unsecured loans, please refer to Chapter titled “Restated Financial Statements” beginning on page 187 of this Draft Red Herring Prospectus.

**33. We face competition in our industry both from organized and unorganized players, posing potential risks to our business operation and financial condition.**

We anticipate facing pressures regarding pricing and product quality from our clients, potentially straining our profit margins which may consequently affect the financial position of our Company. Competition is not only present within the organized sector but also from unorganized players, spanning both small and large players. Our direct rivals include leading chemical units across India, as well as local competitors. Our competitiveness is further challenged by the rapid technological advancements within the chemical industry, both domestically and internationally.

Additionally, some of our clients might export their final products, necessitating compliance international standards. Failure to effectively compete amidst this intense landscape, locally, nationally, and internationally, could significantly harm our company’s financial position.

**34. We have issued Equity Shares during the last one year at a price that may be below the Offer Price.**

During the last one year we have issued Equity Shares at a price that may be lower than the Offer Price:

Date of Allotment	Number of Equity Shares	Face Value per Share (₹)	Issue Price per Equity Share (₹)	Nature of Consideration (Cash/ Other than Cash)	Nature of allotment
April 18, 2024	94,29,553	10	NA	Other than Cash	Bonus Issue
April 27, 2024	20,02,420	10	10	Cash	Rights Issue

For further details, please refer to the chapters “*Capital Structure*” beginning on page 77 of this Red Herring Prospectus.

***35. Our operations are labour intensive, and our manufacturing operations may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.***

Our manufacturing activities are labour intensive and expose us to the risk of various labour related issues. Whilst we have not faced any strike by our workforce, we cannot assure you that we will not be subject to work stoppages, strikes, lockouts or other types of conflicts with our employees or contract workers in the future. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. As of July 31, 2024, we employed about 14 workmen and 22 employees across our production unit.

We do not have any trade union registered under the Trade Unions Act, 1926. Previously, we have not experienced any labour dispute except the ongoing dispute with labour, details whereof have been disclosed in chapter titled “*Outstanding Litigations and Material Developments*” on page 229. We do not have any formal policy for redressal of labour disputes. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. In the event of any prolonged delay or disruption of our business, results of operations and financial condition could be materially and adversely affected.

***36. None of our Directors do not have any prior experience of being a director in any other listed company in India.***

Our current Board comprises of five directors which includes Chairman and Managing Director, one Whole time Director, two non-executive independent directors and one non-executive non-independent director. We are not a publicly listed company and have not historically been subject to increased scrutiny by shareholders, regulators and the public at large that is associated with being a listed company. None of our board of directors do have any prior experience of being a director in any other listed company in India. While our Board members are qualified and have relevant experience in their respective field, not having any prior experience as being a director in any other listed company in India may present some potential challenges to our Company in effectively meeting with good corporate governance norms and practices. Additionally, having lack of such experience amongst the board of directors may impact our Company’s credibility and reputation among the investors and other stakeholders. For further details, please see chapter titled “*Our Management*” on page 165 of this Draft Red Herring Prospectus.

***37. Our business is exposed to foreign exchange rate related fluctuations.***

Our business is exposed to foreign exchange rate fluctuations as a substantial portion of our raw materials being denominated in US Dollars. This exposure is particularly notable in our trade dealings with various countries, including but not limited to Brazil, China, Marshall Island, Turkey, USA, Hungary. Investors should carefully consider the following risk associated with currency rate fluctuations when evaluating investment decisions. Fluctuations in currency exchange rates, particularly between the US Dollar and the local currencies in which we operate, can have a significant impact on our financial performance. Changes in exchange rates can affect the value of our income, expenses, assets, and liabilities denominated in foreign currencies when translated into the reporting currency. This volatility can lead to unpredictable revenue and profitability variations, potentially affecting our overall financial stability. As we receive a substantial portion

of our raw material in US Dollars, currency rate fluctuations can influence the value of our profits. If the local currency depreciates against the US Dollar, our reported profits in the local currency may decrease, even if the actual sales volume remains constant. Similarly, fluctuations in exchange rates can impact the conversion of our costs and expenses, potentially affecting our profitability. In countries where we operate, there may be restrictions or regulations regarding the repatriation of funds or foreign currency exchange. These restrictions can impact our ability to convert and transfer funds across borders, limiting our flexibility in managing cash flows, making necessary investments, or repatriating profits to our company or shareholders. Currency rate fluctuations can complicate financial reporting and performance evaluation. When preparing financial statements, the translation of financial results from various currencies into a single reporting currency can be affected by currency rate changes. This can make it challenging to accurately assess the financial performance and compare results over time.

***38. We have not identified any alternate source of financing the ‘Objects of the Offer’. If we fail to mobilize resources as per our plans, our growth plans may be affected.***

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer may delay in the implementation schedule and could adversely affect our growth plans. For further details of object of offer and schedule of implementation please refer to the chapter titled “*Objects of the Offer*” on page 91 of this Draft Red Herring Prospectus.

***39. Our Company’s management will have flexibility in utilizing the net proceeds from the fresh issue and the deployment of the net proceeds from the offer is not subject to any monitoring by any independent agency.***

Our Company intends to primarily use the net proceeds towards capital expenditure in Setting up of a new manufacturing facility located at Dahej, Bharuch, Gujarat and to meet working capital requirements of our company and general corporate purposes as mentioned in “*Objects of the Offer*” on page 91 of this Draft Red Herring Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the offer size is not in excess of ₹ 10,000 lakhs. The management of our company will have discretion to use the net proceeds from the offer, and investors will be relying on the judgment of our Company’s management regarding the application of the net proceeds from the offer. Our company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the shareholders and our promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders of our company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the offer will need to rely upon our management’s judgment with respect to the use of net proceeds. If we are unable to enter into arrangements for utilization of net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the offer and our business and financial results may suffer.

***40. The objects of the fresh issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders’ approval.***

We propose to utilize the Net Proceeds for funding capital expenditure towards expansion of our proposed manufacturing unit. Such object has not been appraised by any bank or financial institution, for further details of the proposed object of the Offer, see “*Objects of the Offer*” beginning on page 91. At this juncture, 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 competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and Schedules XI and XX of the SEBI ICDR Regulation, any material deviation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus requires the Company to obtain the approval of shareholders of our Company through a special resolution. In such event, 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 Company and Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with the material deviation of the proposed utilization of Net Proceeds, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters from agreeing to the material deviation of the proposed utilisation of the Net Proceeds, even if such material deviation is in the interest of our Company. Further, we cannot assure you that the Promoters 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 undertake material deviation of the proposed utilization of the Net Proceeds to use any unutilized proceeds of the Offer, if any, even if such material deviation 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 by re-deploying the unutilized portion of Offer Proceeds, if any, which may adversely affect our business and results of operations.

***41. Our Company will not receive any proceeds from the Offer for Sale portion, and the Promoter Selling Shareholder shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by him in the Offer for Sale. Our Promoter is therefore interested in the Offer in connection with the Equity Shares offered by them in the Offer for Sale.***

The Offer includes an offer for sale of such number of Equity Shares aggregating up to 6,00,000 by the Promoter Selling Shareholder, which is the Promoter of our Company. The Promoter is therefore interested in the Offer Proceeds to the extent of the Equity Shares offered by her in the Offer for Sale. The entire proceeds (net of offer expenses) from the Offer for Sale will be paid to the Promoter Selling Shareholder pursuant to the Offer for Sale, and our Company will not receive any such proceeds. Further, except for listing fees of the Offer, which will be borne by our Company, all cost, fees and expenses (including all applicable taxes) in respect of the Offer will be shared amongst our Company and the Promoter Selling Shareholder on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Offered Shares sold by the Promoter Selling Shareholder in the Offer for Sale, upon successful completion of the Offer. See "Capital Structure" and "Objects of the Offer" on pages 77 and 91, respectively of this Draft Red Herring Prospectus.

***42. We require several approvals, licenses, registrations and permits for our business and are required to comply with certain rules, regulations and conditions to operate our business and failure to obtain, retain or renew such approvals and licences in a timely manner or to comply with the requisite rules, regulations and conditions may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Presently, we have applied for updating licenses and approvals in the name of "Arunaya Organics Limited" from "Arunaya Organics Private Limited". The Issuer Company is in the process of obtaining the same. Non-renewal of the said permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the timeframe anticipated by us or at all. Some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled "Government and Other Key Approvals" at page 236 of this Draft Red Herring Prospectus.

***43. Our Company has presently applied for new/fresh trademark registration which is pending for registration/consideration and if third parties infringe the trademark, logo and intellectual property that we use, our business and reputation would be adversely affected.***

Our Company has applied for a new/ fresh trademark registration which is pending for registration/consideration before the trademark registering authority in relation to our Company and our products. The details of application for new/fresh trademark registration made by our Company have been specifically provided in this Draft Red Herring Prospectus. For further details, please see “Government and Other Key Approvals” beginning on page 236. of this Draft Red Herring Prospectus.

With respect to our trademark that has been applied for and is pending for registration, we cannot assure you that we will be successful in obtaining the same within a reasonable period of time due to unforeseen reasons. As a result, we may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time the registration is granted.

While we endeavor to ensure that we comply with our intellectual property rights, there can be no assurance that we will not face any intellectual property infringement claims brought by third parties. Any claims of infringement, regardless of merit or resolution of such claims, could force us to incur significant costs in responding to, defending and resolving such claims and may divert the efforts and attention of our management away from our business. We could be required to change the name of our Company, pay third party infringement claims or obtain fresh licenses resulting from a name change. The occurrence of any of the foregoing could result in unexpected expenses.

***44. Any downtime for maintenance and repair of our machinery/equipment could lead to business interruptions that could be expensive and harmful to our reputation and to our business.***

Our machinery/equipments, including but not limited to Air Compressor, Impact Pulveriser Machine, Three Phase Electric Motor etc. Maintenance work on most machinery/equipments can be performed only by the designated service provider and involves significant downtime to complete maintenance. Our machinery/equipments are subject to normal wear and tear and will be in need of repairs from time to time. Some repairs may be routine in nature, involving lower downtime, and some repairs may require replacement of parts of the machinery/equipments, which may be time consuming. During such times, we may not be able to put the machinery/equipments to use. We may, as a result, suffer losses by reason of not being able to use such machinery/equipments.

***45. We may not be able to identify or effectively respond to evolving preferences, expectations or trends in a timely manner and a failure to derive the desired benefits from our product development efforts may impact our competitiveness and profitability.***

The success of our business depends in part on our ability to anticipate, identify and respond promptly to evolving trends in demographics and preferences, customer requisitions, and develop new products to meet these requirements. Our success is dependent on our ability to identify and respond to the economic, technological, and other developments that affect demographic and end-customer preferences in the variety of our product categories.

We cannot assure you that our future product development initiatives will be successful or be completed within the anticipated period or budget, or that our newly developed or improvised products will achieve wide market acceptance from our customers. Even if these products have been successfully developed, there is no guarantee that they will be accepted by our customers and achieve anticipated sales targets in a profitable manner, which may affect our ability to grow our network of customers and gain market share. In addition, there can be no guarantee that the time and effort that we spend in developing these products would be beneficial to our Company. This could also adversely affect our ability to pursue our growth strategy of continuing to develop niche and products to grow our market share. Further, we cannot assure you that our existing or potential competitors will not develop products that are similar or superior to our products. It is often difficult to estimate the time to market new products and there is a substantial risk that we may have to

abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we fail in our product launching efforts, our business, prospects, financial condition, results of operations and cash flows may be materially and adversely affected.

Further, as we continue to grow our business by expanding our products, offerings, and our geographic reach, maintaining quality and consistency may be more difficult and there can be no assurance that the customers' confidence in our products will not diminish. Failure or any delay on our part to identify such trends, to align our business successfully and maintain quality could negatively affect our image, our relationship with our customers, the rate of growth of our business, our market share and our prospects.

We must, on a regular basis, keep pace with the preferences and quality requirements of our consumers, invest continuously in new technology and processes to provide products having the desired qualities and characteristics, and continually monitor and adapt to the changing market demand. An unanticipated change in consumer demand and any sudden change in Government regulations may adversely affect our liquidity and financial condition.

***46. The requirements of being a listed company may strain our resources.***

We are not a listed company. We have not been subjected to the increased scrutiny of our affairs by shareholders, regulators, and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance, and other expenses that we did not incur as an unlisted company. We will be subject to the equity listing agreement with the Stock Exchange which will require us to file audited annual and half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from business concerns, which may adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge but cannot assure that we will be able to do so in a timely and efficient manner.

***47. Our insurance coverage may not adequately protect us against potential risk, and this may have a material adverse effect on our business.***

We maintain insurance coverage for key risks relating to our business. While we believe that the amount of our insurance coverage is in line with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions, and limits on coverage. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Natural disasters in the future or occurrence of any other event for which we are not adequately or sufficiently insured may cause significant disruption to our operations that could have a material adverse impact on our business and operations. 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. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption.



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

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales and business arrangements in our industry are subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

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

Our future ability to pay dividends will depend on our earnings, financial condition, and capital requirements of our company. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition, and results of operations.

***50. We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted stakeholders. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

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

Prior to the offer, there has been no public market for the equity shares, and an active trading market on the stock exchange may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the equity shares will develop. The offer price of the equity shares is proposed to be determined through a book building process in accordance with the SEBI ICDR Regulations and may not be indicative of the market price of the equity shares at the time of commencement of trading of the equity shares or at any time thereafter. The market price of the equity shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

The trading volume and market price of the equity shares may be volatile following the offer.

The market price of the equity shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- half yearly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations, or capital commitments;
- announcements by third parties / governmental entities of significant claims/ proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- changes in the price of oil or gas;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

***52. There are restrictions on daily weekly monthly movement in the price of the equity shares, which may adversely affect the shareholder's ability to sell for the price at which it can sell, equity shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by the stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index- based market-wide circuit breakers generally imposed by SEBI. The percentage limit on circuit breakers is said by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange does not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of the circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

***53. We have not independently verified certain data in this Draft Red Herring Prospectus***

We have not independently verified data from the industry and related data contained in this Draft Red Herring Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled. Therefore, discussions of matters relating to India, its economy, or the industry in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate, or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy elsewhere.

***54. QIB and Non-Institutional Investors 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.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors 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 Investors can revise their Bids during the Bid/ offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Company is required to complete Allotment pursuant to the offer within six working days from the Bid/ offer 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 may limit the Bidders ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

***55. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchange. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to commence within Six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

***56. Any future issuance of Equity Shares may dilute the shareholding of the Investor, or any sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the shareholding of the investor. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. While the entire Post-Offer paid-up share capital, held by our Promoter or other shareholders will be locked-in for a period of 1 (one) year and minimum promoter contribution subject to a minimum of 20% of our post-Offer paid-up capital will be locked-in for a period of 3 (three) years from the date of allotment of Equity Shares in the Offer, upon listing of our Equity Shares on the Stock Exchanges. For further information relating to such Equity Shares that will be locked-in, please refer to the section titled "*Capital Structure*" beginning on page 77 of this Draft Red Herring Prospectus. Any future issuance or sale of the equity shares of our Company by our Promoter or by other significant shareholder(s) or any perception or belief that such sales of Equity Shares might occur may significantly affect the trading price of our Equity Shares.

**External Risk Factors**

***57. A slowdown in economic growth in India could cause our business to suffer.***

Our performance and the growth of our business are necessarily dependent on the health of the overall economy of India and of the countries, including but not limited to the China, Brazil, Marshall Island etc., where we have business relations. Any slowdown or perceived slowdown in these economies or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in the sovereign debt rating or a decline in the foreign exchange reserves of these countries could negatively affect interest rates and liquidity, which could adversely affect these economies and our business. Global situations such as outbreak of the COVID-19 pandemic, full scale military invasion of Ukraine by Russia have caused a global economic downturn including in India and these countries. Any downturn in the macroeconomic environment in India or any country(ies) where we have our business presence, could also adversely affect our business, financial condition, results of operations and prospects.

The economy of India and the countries where the Company has its business presence, could be adversely affected by a general rise in interest rates or inflation, civil unrest, adverse weather conditions affecting agriculture, commodity, and energy prices as well as various other factors. A slowdown in the economy of

any of these countries could adversely affect the policy of their respective governments towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The economy of India and various other countries where the Company has its business presence is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in the foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in these economies, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect these economies, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the global economy are scarcity of credit or other financing facilities, resulting in an adverse impact on economic conditions in India and the countries where the Company has its business presence, resulting in scarcity of financing of our Proposed Projects; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in the tax, trade, fiscal or monetary policies of India or any other country where the Company has its business presence, like application of GST and/or VAT, as applicable; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or manmade disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, and other significant regulatory or economic developments in or affecting the financial services sectors of India and/or any country where the Company has its business presence.

***58. Financial instability in other countries may cause increased volatility in Indian financial markets.***

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, Europe 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 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. For example, the full-scale military invasion of Russia into Ukraine and the subsequent sanctions placed on Russia by various countries has substantially affected the economic stability of the world and such volatility could impact our Company's growth. In addition, the market price of oil has risen sharply since the commencement of hostilities in Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

In addition, the USA is one of India's major trading partners and any possible slowdown in the American economy could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, results of operation, and cash flows. These developments, or the perception that any of them could occur, have had, and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of the Equity Shares.

***59. Challenges that affect the dye industry will have an effect on our operations.***

As we are engaged in the dye industry, we are impacted by challenges that affect the industry in general. These include general economic conditions and outlook, improvements in technologies, increase in operating costs, government regulation and policy and importantly, our competitive position in the market in general. These factors will impact us and our business on an ongoing basis. We will be constrained to respond to changes adequately to remain profitable, including bringing about changes to operations, cutting down on costs, and reassessing growth plans and strategies. We are unable to predict these challenges and cannot assure you that we will continue to maintain our current levels of financial performance.

***60. Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.***

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

***61. Compliance with applicable health, safety, environmental and other governmental regulations may be costly and adversely affect our results of operations.***

Compliance with applicable health, safety, environmental and other governmental regulations is time consuming, costly and requires a number of dedicated personnel. We are subjected to payment of fees and levies on an ongoing basis with respect to a number of licences, approvals, consents, and permissions we are required to obtain from governmental authorities. We are required to periodically maintain a number of records and registers and file a number of returns. Ensuring compliance requires that we hire trained personnel across our locations. Our compliance costs may adversely affect our revenue.

***62. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease, and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

***63. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

***64. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), 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 falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 302 of Draft Red Herring Prospectus.

***65. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor’s benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced

***66. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter, or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of Equity Shares at a premium to the market price or would otherwise be beneficial to the shareholders. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

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

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

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

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The 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.

## SECTION IV: INTRODUCTION THE OFFER

The following table summarizes the Offer details:

Particulars	Details of Equity Shares
Offer <sup>(1)</sup>	Up to 61,00,000 Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
<i>Of which</i>	
Fresh Issue	Up to 55,00,000 Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]
Offer for Sale <sup>(2)</sup>	Up to 6,00,000 Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
<i>The Offer consists of:</i>	
Market Maker Reservation Portion	Up to [●] Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
Net Offer to the Public	Up to [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●].
<i>Of which</i>	
<b>(1) QIB portion <sup>(3)</sup></b>	<b>Not more than [●] Equity Shares</b>
<i>of which</i>	
(a) Anchor Investor Portion	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
<i>of which</i>	
(i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>(2) Non – Institutional portion</b>	<b>Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs</b>
<b>(3) Retail portion</b>	<b>Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs</b>
<b>Pre and Post Offer Share Capital of our Company</b>	
Equity Shares outstanding prior to the Offer	1,22,78,432 Equity Shares having face value of ₹10 per Equity Share
Equity Shares outstanding after the Offer	Up to [●] Equity Shares having face value of ₹10 per Equity Share
Objects of the Offer	Please refer Section titled “Objects of the Offer” on page 91 of this Draft Red Herring Prospectus.

- Public offer of up to 61,00,000 Equity Shares face value of ₹10 each for cash at a price of ₹ [●] including premium of ₹ [●] per Equity Share of our Company aggregating to ₹ [●]. This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to section “Offer Structure” beginning on page 261 of this Draft Red Herring Prospectus. The Offer has been authorised by a resolution of our Board dated June 17, 2024. Our Shareholders have authorised the Offer pursuant to a special resolution dated June 18, 2024.
- The Equity Shares being offered by the Promoter Selling Shareholder have been held for a period of at least one year immediately preceding the date of the Draft Red Herring Prospectus, and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations:



<b>Sr. No.</b>	<b>Name of the Promoter Selling Shareholder</b>	<b>Date of consent letter</b>	<b>No. of Equity Shares</b>	<b>Amount (₹ in Lakhs)</b>
1.	Shivali Agrawal	June 17, 2024	Up to 6,00,000	[●]

- Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining 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 to Mutual Funds only, and the remainder of the Net QIB Portions shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 265.
- Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, subject to applicable law. In the event of an under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Issue. Additionally, even if the minimum subscription to the Fresh Issue is reached, the Equity Shares in the remaining portion of the Fresh Issue will be issued prior to the Equity Shares being offered as part of the Offer for Sale.

For further details regarding the Offer Structure and Procedure, please refer to the chapters titled “Offer Structure” and “Offer Procedure” beginning on pages 261 and 265 respectively of this Draft Red Herring Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

### ANNEXURE – A: RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs except Units in Actual Numbers)

Sr. No.	Particulars	Notes	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A.</b>	<b>Equity and Liabilities</b>				
<b>1</b>	<b>Shareholders' Funds</b>				
	Share Capital	A.1	84.65	84.65	73.16
	Reserves & Surplus	A.2	1,041.93	639.87	402.22
	<b>Share application money pending allotment</b>		0.00	0.00	0.00
<b>2</b>	<b>Non-Current Liabilities</b>				
	Long-Term Borrowings	A.3	351.62	256.19	295.34
	Other Non-Current Liabilities		0.00	0.00	0.00
	Long-Term Provisions	A.4	4.00	2.50	2.50
	Deferred Tax Liabilities (Net)	A.11	0.00	0.00	0.00
<b>3</b>	<b>Current Liabilities</b>				
	Short Term Borrowings	A.5	978.29	1,060.67	694.94
	Trade Payables :				
	(A) total outstanding dues of micro enterprises and small enterprises; and	A.6	406.35	1,153.90	914.83
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	A.6	1,456.38	569.09	980.16
	Other Current Liabilities	A.7	27.25	25.79	17.61
	Short Term Provisions	A.8	155.63	70.84	55.88
	<b>Total</b>		<b>4,506.10</b>	<b>3,863.49</b>	<b>3,436.63</b>
<b>B.</b>	<b>Assets</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	Property, Plant and Equipment				
	Tangible Assets	A.9	307.33	321.57	326.75
	Intangible Assets		0.00	0.00	0.00
	Non-Current Investments	A.10	56.67	65.57	63.58
	Deferred Tax Assets	A.11	6.28	5.53	3.72
	Long Term Loans & Advances	A.12	219.51	172.14	173.85
	Other Non Current Assets	A.13	0.00	0.00	0.00
<b>2</b>	<b>Current Assets</b>				
	Current Investments		0.00	0.00	0.00
	Inventories	A.14	1,758.04	885.81	476.20
	Trade Receivables	A.15	2,073.85	2,183.97	2,228.73
	Cash and Cash Equivalents	A.16	11.18	22.63	16.72
	Short-Term Loans and Advances	A.17	21.80	27.66	51.33
	Other Current Assets	A.18	51.42	178.60	95.75
	<b>Total</b>		<b>4,506.10</b>	<b>3,863.49</b>	<b>3,436.63</b>

## ANNEXURE – B : RESTATED STATEMENT OF PROFIT AND LOSS

(Amount in Lakhs except Units in Actual Numbers)

Sr. No	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
A.	<b>Revenue:</b>				
	Revenue from Operations	B.1	6,223.32	7,585.02	6,154.72
	Other income	B.2	56.13	51.94	70.94
	<b>Total Revenue</b>		<b>6,279.45</b>	<b>7,636.96</b>	<b>6,225.66</b>
B.	<b>Expenses:</b>				
	Cost of Material Consumed	B.3	5,025.85	5,724.14	2,647.56
	Change in Inventories of WIP, Finished Goods & Stock in Trade	B.4	5.00	769.96	2,591.52
	Employees Benefit Expenses	B.5	130.31	136.00	146.42
	Finance costs	B.6	172.18	133.92	95.26
	Depreciation and Amortization	B.7	21.67	25.02	16.76
	Other expenses	B.8	363.64	606.93	541.57
	<b>Total Expenses</b>		<b>5,718.65</b>	<b>7,395.97</b>	<b>6,039.09</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>560.80</b>	<b>240.99</b>	<b>186.57</b>
	Exceptional Items		0.00	0.00	0.00
	<b>Profit before extraordinary items, tax and other</b>		<b>560.80</b>	<b>240.99</b>	<b>186.57</b>
	Share in Associate Profit		0.00	1.99	2.16
	<b>Profit before tax</b>		<b>560.80</b>	<b>242.98</b>	<b>188.73</b>
	<b>Tax expense :</b>				
	Current tax		153.13	68.84	52.88
	Current tax expense relating to prior years		0.00	1.31	0.00
	Proposed Dividend		0.00	0.00	0.00
	Deferred Tax	B.9	-0.75	-1.81	-0.26
	<b>Profit (Loss) for the period from continuing operations</b>		<b>408.42</b>	<b>174.64</b>	<b>136.12</b>
	<b>Earning per equity share in Rs.:</b>				
	(1) Basic		3.97	1.70	1.53
	(2) Diluted		3.97	1.70	1.53

## ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS

(Amount in Lakhs except Units in Actual Numbers)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/ (Loss) before tax	<b>560.80</b>	<b>242.98</b>	<b>188.73</b>
Adjustments for:			
Depreciation	21.67	25.02	16.76
Finance Cost	172.18	133.92	95.26
Foreign exchange Gain	56.12	45.64	67.32
Interest Income	0.00	5.48	2.87
Share of Associate's Net Profit	0.00	-1.99	-2.16
<b>Operating profit before working capital changes</b>	<b>810.77</b>	<b>451.05</b>	<b>368.78</b>
Movements in working capital:			
(Increase)/Decrease in Reserves	0.00	0.00	0.00
(Increase)/Decrease in Inventories	-872.23	-409.61	292.46
(Increase)/Decrease in Trade Receivables	110.12	44.77	-765.04
(Increase)/Decrease in Loans & Advances	5.86	23.67	44.53
(Increase)/Decrease in Other Current Assets	127.18	-82.84	79.39
Increase/(Decrease) in Trade Payables	139.74	-172.00	115.03
Increase/(Decrease) in Other Current Liabilities	1.46	8.18	11.84
Increase/(Decrease) in Long Term Provisions	1.50	0.00	1.50
Increase/(Decrease) in Short Term Provisions	84.79	14.96	29.52
<b>Cash generated from operations</b>	<b>-401.58</b>	<b>-572.88</b>	<b>-190.77</b>
Adjustment on Account of Income Tax Expense	-159.49	-92.18	-94.43
<b>Net cash from operating activities (A)</b>	<b>249.69</b>	<b>-214.00</b>	<b>83.59</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale/(Purchase) of Investments	8.90	0.00	0.00
(Increase)/Decrease in Long Term Loans & Advances	-47.37	1.71	-159.60
Interest Income	0.00	-5.48	-2.87
Sale/(Purchase) of Fixed Assets	-7.43	-19.84	-294.27
(Increase)/Decrease in Other Non-Current Assets	0.00	0.00	0.00
<b>Net cash from investing activities (B)</b>	<b>-45.90</b>	<b>-23.61</b>	<b>-456.74</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest/Other expenses paid on borrowings	-172.18	-133.92	-95.26
Foreign exchange Gain	-56.12	-45.64	-67.32
Proceeds/(Repayment) of Long- Term Borrowings	95.43	-39.15	187.74
Increase/(Decrease) in Short Term Borrowings	-82.38	365.73	310.46
Proceeds/(Repayment) of Share Application Money/ General Reserve	0.00	0.00	0.00
Proceeds From Issue of Share Capital including Premium	0.00	96.51	36.58
<b>Net cash from financing activities (C)</b>	<b>-215.24</b>	<b>243.53</b>	<b>372.20</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>-11.45</b>	<b>5.91</b>	<b>-0.95</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>22.63</b>	<b>16.72</b>	<b>17.67</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11.18</b>	<b>22.63</b>	<b>16.72</b>

## GENERAL INFORMATION

Our Company was originally incorporated as “*Arunaya Organics Private Limited*” on July 30, 2010, as a private limited company under the provisions of the Companies Act, 1956, pursuant to Certificate of incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, Our Company was converted into a public limited company pursuant to shareholders resolution passed at the extra-ordinary general meeting of our Company held on December 15, 2023, and the name of our Company was changed to “*Arunaya Organics Limited*”, and a Fresh Certificate of Incorporation dated January 01, 2024, was issued by the Registrar of Companies, Ahmedabad.

For details of changes in registered offices of our Company, please refer to the section titled “*History and Certain Corporate Matters*” beginning on page 159 of this Draft Red Herring Prospectus.

## BRIEF ABOUT THE COMPANY AND OFFER

<b>Registered Office</b>	C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India. <b>Telephone No.:</b> +91 7779018165 <b>Website:</b> <a href="http://www.arunayaorganics.com">www.arunayaorganics.com</a> <b>Email id:</b> <a href="mailto:info@arunayaorganics.com">info@arunayaorganics.com</a>
<b>Corporate Office</b>	102, First Floor Shoppers Plaza V, Opp Municipal Market C G Road Navrangpura, Ambawadi, Ahmedabad- 380006, Gujarat, India
<b>Date of Incorporation</b>	July 30, 2010
<b>Company Registration Number</b>	061794
<b>Corporate Identification Number</b>	U24100GJ2010PLC061794
<b>Company Category</b>	Company limited by shares
<b>Company Sub-Category</b>	Non-government company
<b>Address of the Registrar of Companies</b>	ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India
<b>Designated Stock Exchange</b>	<b>Emerge platform of NSE Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra.
<b>Offer Program</b>	Offer Opens on: [●] Offer Closes on: [●]
<b>Company Secretary and Compliance Officer</b>	<b>Tanvi Patel</b> <b>Arunaya Organics Limited</b> C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India. <b>Telephone No.:</b> +91 7779018165 <b>Email id:</b> <a href="mailto:cs@arunayaorganics.com">cs@arunayaorganics.com</a>
<b>Chief Financial Officer</b>	<b>Bikash Tarafdar</b> <b>Arunaya Organics Limited</b> C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India. <b>Telephone No:</b> +91 7779018165 <b>Email Id:</b> <a href="mailto:cfo@arunayaorganics.com">cfo@arunayaorganics.com</a>

## Board of Directors

As on the date of this Draft Red Herring Prospectus, the Board of Directors of our Company comprises of the following:

Name	Designation	DIN	Residential Address
Vinod Agrawal	Managing Director	02763617	I-802 Shilalekh Apartment, Opp Police Stadium, Nr Subhash Bridge Shahibaug, Ahmedabad- 380004, Gujarat, India.

Name	Designation	DIN	Residential Address
Shivali Agrawal	Executive Director	03210478	I-802 Shilalekh Apartment, Opp Police Stadium, Nr Subhash Bridge Shahibaug, Ahmedabad- 380004, Gujarat, India.
Ashokbhai Agrawal	Non- Executive Director	10405599	7, New Sindhu Society, Near Vallabh Park, D Cabin Road, Sabarmati, Ahmedabad- 380019, India.
Umesh Menon	Independent Director	00086971	B-9, New Adhyashakti Tenements, Near Rajashri Towers, Jodhpur Village, Ahmedabad- 380015, Gujarat, India.
Amita Pragada	Independent Director	09578592	G 7, Shreedhar Appt., Shyamal Cross Road, Satellite Nr Jivraj Bridge, Ahmedabad- 380015, Gujarat, India.

For further details of our directors, see “*Our Management*” on page 165 of this Draft Red Herring Prospectus.

**Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Book Running Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and non-receipt of funds by electronic mode.**

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI Master Circular, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Manager shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount. Further, in terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the Book Running Lead Manager where the Anchor Investor Application Form was submitted by the Anchor Investor

#### Details of Key Intermediaries Pertaining to this Offer and our company

Book Running Lead Manager	Registrar to the Offer
<b>Unistone Capital Private Limited</b> A/305, Dynasty Business Park Andheri Kurla Road, Andheri East, Mumbai- 400059, Maharashtra. <b>Tel :</b> +91 22 4604 6494 <b>Facsimile :</b> NA <b>Email:</b> <a href="mailto:mb@unistonecapital.com">mb@unistonecapital.com</a> <b>Investor Grievance Email:</b> <a href="mailto:compliance@unistonecapital.com">compliance@unistonecapital.com</a> <b>Website :</b> <a href="http://www.unistonecapital.com">www.unistonecapital.com</a> <b>Contact Person:</b> Brijesh Parekh <b>SEBI Registration No.:</b> INM000012449 <b>CIN :</b> U65999MH2019PTC330850	<b>Bigshare Services Private Limited</b> S-6, 6 <sup>th</sup> Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India <b>Tel:</b> 022 6263 8200 <b>Facsimile:</b> 022 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Asif Sayyed <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>SEBI Registration No:</b> INR000001385 <b>CIN:</b> U99999MH1994PTC076534
Legal Counsel to the Offer	Banker to the Company
<b>Zastriya, Attorneys &amp; Legal Consultants</b> 2 <sup>nd</sup> Floor, Machinery House, 11, Burjorji Bharucha Marg, Kala Ghoda, Fort, Mumbai- 400001 <b>Telephone:</b> +91 9920120018/ +91 9920239759 <b>Email:</b> <a href="mailto:nishant.rana@zastriya.in">nishant.rana@zastriya.in</a> , <a href="mailto:chinmayee.ghag@zastriya.in">chinmayee.ghag@zastriya.in</a> <b>Contact Person:</b> Nishant Rana and Chinmayee Rana <b>Reg. No.:</b> MAH/6321/2014	<b>Indian Overseas Bank</b> Stadium Road Branch, Ground Floor Shop No. 1 & 2, Satved Complex, Opp. Gopi Dairy, Sardar Patel Stadium Road, Ahmedabad- 380009 <b>Telephone:</b> 079-2646 5095 <b>Email:</b> <a href="mailto:iob0125@iob.in">iob0125@iob.in</a> <b>Website:</b> <a href="http://www.iob.in">www.iob.in</a> <b>Contact Person:</b> Dinesh Agarwal
Statutory and Peer Review Auditor	Public Offer Bank/ Banker to the Offer/ Refund Banker/Escrow Collection Bank
<b>Abhishek Kumar &amp; Associates</b> <b>Address:</b> 401, Silicon Tower, Nr. Samartheshwar M Law Garden, Navrangpura, Ahmedabad- 380009, Gujarat, India <b>Telephone:</b> 9227404064 <b>Email:</b> <a href="mailto:abhisheksagarwal@yahoo.com">abhisheksagarwal@yahoo.com</a> <b>Contact Person:</b> CA Abhishek Agrawal <b>Membership No.:</b> 132305 <b>Firm Registration No.:</b> 130052W <b>Peer Review Number:</b> 014429	[•] <b>Address:</b> [•] <b>Telephone:</b> [•] <b>Fax:</b> [•] <b>Email:</b> [•] <b>Website:</b> [•] <b>Contact Person:</b> [•]
Sponsor Bank	Syndicate Member
[•] <b>Address:</b> [•] <b>Telephone:</b> [•] <b>Fax:</b> [•] <b>Email:</b> [•] <b>Website:</b> [•]	[•] <b>Address:</b> [•] <b>Telephone:</b> [•] <b>Fax:</b> [•] <b>Email:</b> [•] <b>Website:</b> [•]

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**Contact Person: [●]**

**Contact Person: [●]**

**SEBI Certificate Registration: [●]**

**CIN: [●]**

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**Share Escrow Agent**

**[●]**

**Address: [●]**

**Telephone: [●]**

**Fax: [●]**

**Email: [●]**

**Website: [●]**

**Contact Person: [●]**

**SEBI Certificate Registration: [●]**

**CIN: [●]**

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**Designated Intermediaries**

***Self-Certified Syndicate Bank(s)***

The list of banks that have been notified by SEBI to act as the SCSBs (i) in relation to the ASBA (other than through UPI Mechanism) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link or any other such website as may be prescribed by SEBI from time to time.

***Syndicate SCSB Branches***

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of 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 Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>).

***Self-Certified Syndicate Banks Eligible as Sponsor Banks for UPI***

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>.

For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

***Registered Brokers***

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) 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 RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

### ***Collecting Depository Participants***

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 website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

### **Expert**

Our Company has not obtained any expert opinions except we have received consent from the Peer review Auditors of the Company to include their name as an expert in this Draft Red Herring Prospectus in relation to the (a) Peer Review Auditors' reports on the Restated Financial Statements (b) Statement of Possible Tax Benefit and such consent has not been withdraw as on date of this DRHP.

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

### **Monitoring Agency**

Since the proceeds from the Fresh Issue does not exceed ₹ 10,000 Lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Offer. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Offer.

### **Appraising Authority**

The objects of the Offer and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

### **Credit Rating**

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

### **IPO Grading**

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

### **Trustees**

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

### **Green Shoe Option**

No green shoe option is applicable for the Offer.

### **Filing**

The Draft Red Herring Prospectus and Prospectus shall be filed with NSE situated at Exchange Plaza, C/1, G Block, Bandra-Kurla Complex, Bandra (East) -400 051, Maharashtra, India.

As per SEBI Circular No. *SEBI/HO/CFD/PoD-1/P/CIR/2023/29* dated *February 15, 2023*; company shall upload the Issue Summary Document (ISD) on exchange portal.

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

A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC and copy of the Prospectus to be filed under 26 of the Companies Act, 2013 would be filed with the RoC and through the electric portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

### Statement of *inter se* allocation of Responsibilities

Unistone Capital Private Limited (Unistone) is the sole Book Running Lead Manager (BRLM) to the Offer and all the responsibilities relating to co-ordination and other activities in relation to the Offer shall be performed by them.

### CHANGES IN THE AUDITORS

Except as disclosed below, there has been no change in the statutory auditors of our Company in the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of the Auditor	Ambani Gupta & Jain, Abhishek Kumar & Associates Chartered Accountants	
FRN	118995W	130052W
Peer Review No.	-	014429
Email Id	<a href="mailto:agj_ca@yahoo.com">agj_ca@yahoo.com</a>	<a href="mailto:abhisheksagrawal@yahoo.co.in">abhisheksagrawal@yahoo.co.in</a>
Address	A-302, Ashoka Complex, 4, Prakash Society, S P Stadium Road, Navrangpura, Ahmedabad-380014, Gujarat, India	401, 4 <sup>th</sup> Floor, Silicon Tower, Above Freezland, Nr. Samartheshwar Mahadev Temple, Law Garden, Ahmedabad- 380009, Gujarat, India
Reason for Change	Resignation due to pre-occupation	Appointment due to casual vacancy
Date of Appointment/Resignation	March 12, 2024	March 14, 2024

### **BOOK BUILDING PROCESS**

Book Building, with reference to the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of [●], an English National Newspaper, all editions of [●], a Hindi National Newspaper and [●] editions of [●], a Gujarati Daily Newspaper (Gujarati being the regional language of Ahmedabad where our Registered Office is located) at least two working days prior to the Bid/ Offer Opening date. The Offer 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/ Offer Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager, in this case being Unistone Capital Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Offer, in this case being Bigshare Services Private Limited;
- The Escrow Collection Banks/ Bankers to the Offer and
- The Designated Intermediaries and Sponsor bank

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

The Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company 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 (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

All potential Bidders may participate in the Offer through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Offer. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, other than Anchor Investors are mandatorily required to use the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders 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. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.

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

In terms of SEBI Circular No. *CIR/CFD/POLICYCELL/11/2015* dated *November 10, 2015* and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details

of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. *SEBI/HO/CFD/DIL2/CIR/P/2018/138* dated *November 01, 2018*, Retail Individual Investors applying in public Offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Offer Procedure*” beginning on page 261 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “*Offer Procedure*” on page 265 of this Draft Red Herring Prospectus.

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

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

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

- Check eligibility for making a Bid (see section titled “*Offer Procedure*” on page 265 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Offer will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

### **Bid/Offer Program:**

Event	Indicative Dates
Bid/Offer Opening Date <sup>(1)</sup>	[●]
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

<sup>(1)</sup>Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI (ICDR) Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer 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. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being Offer closing date. Our Company shall follow the timelines provided under the aforementioned circular.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Offer Period (except for the Bid/Offer Closing Date). On the Bid/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Offer Closing Date maybe extended in consultation with the BRLM, RTA and National Stock Exchange of India Limited Emerge taking into account the total number of applications received up to the closure of timings.

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

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application

Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## WITHDRAWAL OF THE OFFER

Our Company, in consultation with the BRLM, reserve the right to not to proceed with the Offer at any time before the Bid/ Offer Opening Date without assigning any reason thereof. If our Company withdraws the Offer anytime after the Bid/ Offer Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

The BRLM, through the Registrar to the Offer, 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 Offer after the Bid/ Offer Closing Date and subsequently decides to proceed with an Offer 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 Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

## Underwriting Agreement

This Offer is [●] % underwritten. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being Offered through this Offer:

Details of the Underwriter	No. of Underwritten	Shares	Amount Underwritten	% of total Offer size underwritten
[●]	[●]	[●]	[●]	[●]

*(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. Specific details mentioned above have been intentionally left blank and will be filled in before, and this portion will be applicable upon the execution of the Underwriting Agreement and filing of the Prospectus with the RoC, as applicable.)*

As per Regulation 260(2) & (3) of SEBI (ICDR) Regulations, 2018, the Book Running Lead manager has agreed to underwrite to a minimum extent of [●] % of the Offer out of its own account. In the opinion of the Board of Directors (based on the certificate given by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

## Market Maker

<b>Name:</b>	[●]
<b>Address:</b>	[●]
<b>Tel No:</b>	[●]
<b>Fax No:</b>	[●]
<b>Contact Person:</b>	[●]
<b>Email:</b>	[●]
<b>Website:</b>	[●]
<b>Contact Person:</b>	[●]

**Details of the Market Making Arrangement for this Offer**

Our Company and the Book Running Lead Manager, have entered into an agreement dated [●] with [●], a Market Maker registered with Emerge Platform of NSE Limited in order to fulfil the obligations of Market Making

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:

- (1) The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every blackout period when the quotes are not being offered by the Market Maker.
- (2) 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 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.
- (3) The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of NSE Limited from time to time.
- (4) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- (5) 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.
- (6) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of NSE and Market Maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
- (7) 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 or 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 to decide controllable and non-controllable reasons would be final.
- (8) 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.
- (9) The Market Maker shall have the right to terminate the said arrangement by giving three months-notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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 Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of

Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

- (10) **Risk containment measures and monitoring for Market Maker:** Emerge Platform of NSE Limited will have all margins which are applicable on the 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.
- (11) **Punitive Action in case of default by Market Maker:** Emerge Platform of NSE Limited 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.

- (12) **Price Band and Spreads:** SEBI Circular bearing reference no: *CIR/MRD/DP/ 02/2012* dated *January 20, 2012*, has laid down that for Offer size up to ₹ 250 Crores, the applicable price bands for the first day shall be:
- In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

Additionally, the trading shall take place in the TFT segment for the first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

Pursuant to SEBI Circular number *CIR/MRD/DSA/31/2012* dated *November 27, 2012*, limits on the upper side for Markets Makers during market making process has been made applicable, based on the Offer size and as follows:

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

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



## CAPITAL STRUCTURE

Our Equity Share capital before the Offer and after giving effect to the Offer, as at the date of this Draft Red Herring Prospectus, is set forth below:

		<i>Amount (₹ in lakhs except share data)</i>	
<b>Sr. No.</b>	<b>Particulars</b>	<b>Aggregate value at face value</b>	<b>Aggregate Value at Offer Price<sup>(1)</sup></b>
<b>I.</b>	<b>Authorised Share Capital<sup>(2)</sup></b>		
	2,00,00,000 Equity Shares of ₹ 10/- each	2,000.00	-
<b>II.</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer<sup>(3)</sup></b>		
	1,22,78,432 Equity Shares of ₹ 10/- each	1,227.84	-
<b>III.</b>	<b>Present Offer in terms of Draft Red Herring Prospectus</b>		
	Fresh Issue of up to 55,00,000 Equity Shares having face value of ₹ 10 each at price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] <sup>(4)</sup> .	[●]	[●]
	Offer for Sale up to 6,00,000 Equity Shares having face value of ₹ 10 each at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●] <sup>(5)</sup>	[●]	[●]
<b>IV.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Offer</b>		
	[●] Equity Shares of ₹ 10.00 each	[●]	
<b>V.</b>	<b>Securities Premium Account</b>		
	Before the Offer	Nil	
	After the Offer	[●]	

(1) To be finalized upon determination of Offer Price and subject to the Basis of Allotment.

(2) For details of the changes in the authorized share capital of our Company, please refer to chapter titled "History and Certain Corporate Matters" beginning on page 159 of this Draft Red Herring Prospectus.

(3) As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment.

(4) The Offer has been authorized by a resolution of our Board dated June 17, 2024 and a special resolution of our Shareholders passed in the EGM dated June 18, 2024.

(5) For details of authorizations received for the Offer for Sale, please refer to the chapter "The Offer" beginning on page 60 of this Draft Red Herring Prospectus. The Equity Shares being offered by Promoter Selling Shareholder has been held by them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of SEBI ICDR Regulations and are eligible for being offered for sale in the Offer.

## NOTES TO THE CAPITAL STRUCTURE

### A. Share Capital of our Company:

#### 1. Equity share capital:

The history of equity share capital of our company is as set out in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (₹)
On incorporation	10,000	10	10	Cash	Incorporation <sup>(i)</sup>	10,000	1,00,000

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (₹)
n (July 30, 2010)							
March 2011	25,60,500	10	10	Cash	Further allotment <sup>(ii)</sup>	70,500	7,05,000
March 2013	11,29,500	10	30	Cash	Further allotment <sup>(iii)</sup>	1,00,000	10,00,000
March 2013	25,15,000	10	30	Cash	Further allotment <sup>(iv)</sup>	1,15,000	11,50,000
January 2014	15,60,000	10	25	Cash	Further allotment <sup>(v)</sup>	1,75,000	17,50,000
March 2015	31,48,555	10	45	Cash	Rights Issue <sup>(vi)</sup>	2,23,555	22,35,550
May 2015	09,26,445	10	56.70	Cash	Right Issue <sup>(vii)</sup>	2,50,000	25,00,000
July 2016	20,87,718	10	57	Cash	Right Issue <sup>(viii)</sup>	3,37,718	33,77,180
December 03, 2020	28,069	10	85.50	Cash	Right Issue <sup>(ix)</sup>	3,65,787	36,57,870
March 2022	28,3,65,787	10	NA	Other than Cash	Bonus <sup>(x)</sup>	7,31,574	73,15,740
January 2023	05,23,809	10	84	Cash	Right Issue <sup>(xi)</sup>	7,55,383	75,53,830
February 2023	20,23,809	10	84	Cash	Right Issue <sup>(xii)</sup>	7,79,192	77,91,920
March 2023	31,67,267	10	84	Cash	Right Issue <sup>(xiii)</sup>	8,46,459	84,64,590
April 2024	18,94,29,553	10	NA	Other than Cash	Bonus <sup>(xiv)</sup>	1,02,76,012	10,27,60,120
April 2024	27,20,02,420	10	10	Cash	Rights Issue <sup>(xv)</sup>	1,22,78,432	12,27,84,320

**Notes:**

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

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	5,000
2.	Dilip Agrawal	5,000
<b>Total</b>		<b>10,000</b>

- (ii) **Further allotment of 60,500 Equity Shares of ₹ 10/- each at par in cash to the following Shareholders:**

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	32,500
2.	Rajkumari Gupta	10,000
3.	Deepak Kumar Gupta	10,000
4.	Sunderlal Gupta	8,000

Sr. No.	Names of Person	Number of Shares Allotted
<b>Total</b>		<b>60,500</b>

- (iii) Further allotment of 29,500 Equity Shares of ₹ 10/- each at a premium of ₹ 20/- in cash to the following Shareholder:

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	29,500
<b>Total</b>		<b>29,500</b>

- (iv) Further allotment of 15,000 Equity Shares of ₹ 10/- each at a premium of ₹ 20/- in cash to the following Shareholders:

Sr. No.	Names of Person	Number of Shares Allotted
1.	Shivali Agrawal	10,000
2.	Vinod Agrawal	5,000
<b>Total</b>		<b>15,000</b>

- (v) Further allotment of 60,000 Equity Shares of ₹ 10/- each at a premium of ₹ 15/- in cash to the following Shareholders:

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	55,000
2.	Shivali Agrawal	5,000
<b>Total</b>		<b>60,000</b>

- (vi) Rights Issue of 48,555 Equity Shares of ₹ 10/- each at premium of ₹ 35/- in cash to the following Shareholders:

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	43,333
2.	Shivali Agrawal	5,222
<b>Total</b>		<b>48,555</b>

- (vii) Rights Issue of 26,445 Equity Shares of ₹ 10/- each at premium of ₹ 46.70/- in cash to the following Shareholders:

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	26,445
<b>Total</b>		<b>26,445</b>

- (viii) Rights Issue of 87,718 Equity Shares of ₹ 10/- each at premium of ₹ 47/- in cash to the following Shareholders:

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	43,859
2.	Shivali Agrawal	43,859
<b>Total</b>		<b>87,718</b>

- (ix) Rights Issue of 28,069 Equity Shares of ₹ 10/- each at premium of ₹ 75.50/- in cash to the following Shareholders:

Sr. No.	Names of Person	Number of Shares Allotted
1.	Shivali Agrawal	23,391

Sr. No.	Names of Person	Number of Shares Allotted
2.	Vinod Agrawal	4,678
<b>Total</b>		<b>28,069</b>

(x) **Bonus Allotment of 3,65,787 Equity Shares of ₹ 10/- each in the ratio of 1:1 i.e. 1 equity shares for every 1 Equity Shares held to the following Shareholders:**

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	2,68,315
2.	Shivali Agrawal	97,472
<b>Total</b>		<b>3,65,787</b>

(xi) **Rights Issue of 23,809 Equity Shares of ₹ 10/- each at premium of ₹ 74/- in cash to the following Shareholder:**

Sr. No.	Names of Person/Entity	Number of Shares Allotted
1.	Vinod Agrawal	23,809
<b>Total</b>		<b>23,809</b>

(xii) **Rights Issue of 23,809 Equity Shares of ₹ 10/- each at premium of ₹ 74/- in cash to the following Shareholder:**

Sr. No.	Names of Person/Entity	Number of Shares Allotted
1.	Vinod Agrawal	23,809
<b>Total</b>		<b>23,809</b>

(xiii) **Rights Issue of 67,267 Equity Shares of ₹ 10/- each at premium of ₹ 74/- in cash to the following Shareholders:**

Sr. No.	Names of Person	Number of Shares Allotted
1.	Vinod Agrawal	41,672
2.	Shivali Agrawal	25,595
<b>Total</b>		<b>67,267</b>

(xiv) **Bonus Allotment of 10,00,000 Equity Shares of ₹ 10/- each in the ratio of 1,114:100 i.e. 1,114 equity shares for every 100 Equity Shares held to the following Shareholders:**

Sr. No.	Names of Person/Entity	Number of Shares Allotted
1.	Vinod Agrawal	69,60,495
2.	Shivali Agrawal	24,45,107
3.	Vinod Agrawal HUF	11,140
4.	Shivani Shah	11,140
5.	Pratik Agrawal	557
6.	Rohit Tandon	557
7.	Pritesh Shah	557
<b>Total</b>		<b>94,29,553</b>

(xv) **Rights Issue of 20,02,420 Equity Shares of ₹ 10/- each at par in cash to the following Shareholders:**

Sr. No.	Names of Person/Entity	Number of Shares Allotted
1.	Vinod Agrawal	10,00,000
2.	Nishil Financial Advisors LLP	5,00,000
3.	Kapadia Finwealth LLP	5,00,000
4.	Shivani Shah	2,420

Sr. No.	Names of Person/Entity	Number of Shares Allotted
Total		20,02,420

## 2. Preference share capital

As on date of Draft Red Herring Prospectus, our Company does not have preference share capital.

## 3. Equity shares issued for consideration other than cash, bonus issue or out of revaluation reserves:

As on the date of this Draft Red Herring Prospectus, our Company has not issued any equity shares out of revaluation reserves since its incorporation.

Except as disclosed below, our Company has not issued any equity shares for consideration other than cash or bonus issue at any time since incorporation:

Date of Allotment	Name of the Equity Shares Allottees	Face Value (₹)	Issue Price (₹)	Reasons for allotment
March 28, 2022	Vinod Agrawal	2,68,315	10	Bonus Issue
	Shivali Agrawal	97,472		
April 18, 2024	Vinod Agrawal	69,60,495	10	Bonus Issue
	Shivali Agrawal	24,45,107		
	Vinod Agrawal HUF	11,140		
	Shivani Shah	11,140		
	Pratik Agarwal	557		
	Rohit Tandon	557		
	Pritesh Shah	557		

Our Company has not issued or allotted any equity shares or preference shares pursuant to schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, as applicable.

4. Except as stated below, our Company has not issued any Equity Shares or preference shares at a price that may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of Equity Shares Allotted	Face Value per Equity Share (₹)	Offer Price (₹)	Nature of Consideration	Nature of Allotment
April 18, 2024	94,29,553	10	NA	Other than Cash	Bonus Issue
April 27, 2024	20,02,420	10	10	Cash	Rights Issue

## 5. Equity Shares issued pursuant to Employee Stock Option Schemes and Employees Stock Appreciation Right Plan

As on date of this Draft Red Herring Prospectus, our Company has not issued Equity Shares pursuant to the ESOP Plan and ESARP Plan (Employees Stock Appreciation Right Plan).

6. Our Company has not revalued its assets since inception and has not issued equity shares (including bonus shares) by capitalizing any revaluation reserves.
7. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
8. Our Company has eight shareholders, as on the date of this Draft Red Herring Prospectus.

9. We hereby confirm that none of the members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
10. The shareholding pattern of our Company before the offer as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given here below:

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

*\* All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of shares on EMERGE Platform of NSE. Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the Listing of the Equity Shares. The Shareholding Pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.*

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the Listing of the Equity Shares. The Shareholding Pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.

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 the Draft Red Herring Prospectus:

**Summary of Shareholding Pattern:**

Sr. No.	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C)	Number of Voting Rights held in each class of securities <sup>1</sup>				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares <sup>3</sup>		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 <sup>2</sup>	Class Y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoters & Promoter Group	3	1,12,62,051	-	-	1,12,62,051	91.72	1,12,62,051	-	1,12,62,051	91.72	-	91.72	-	-	-	-	1,12,62,051
(B)	Public	5	10,16,381*	-	-	10,16,381	8.28	10,16,381	-	10,16,381	8.28	-	8.28	-	-	-	-	10,02,821
I	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	8	1,22,78,432	-	-	1,22,78,432	100.00	1,22,78,432	-	1,22,78,432	100.00	-	100.00	-	-	-	-	1,22,64,872

\* On July 30, 2024, Pritesh Shah transferred his 50 shares at ₹ 50 each to Pratik Agarwal, however corporate action has been initiated by the company.

**11. List of our major shareholders:**

The list of our major Shareholders and the number of Equity Shares held by them is provided below:

1. The details of our Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on the date of filing of this Draft Red Herring Prospectus are set forth below:

<b>Sr. No.</b>	<b>Name of the Person</b>	<b>No. of Shares Allotted</b>	<b>% of the then existing share capital</b>
1.	Vinod Agrawal	85,85,315	69.92
2.	Shivali Agrawal	26,64,596	21.70
3.	Nishil Financial Advisors LLP	5,00,000	4.07
4.	Kapadia Finwealth LLP	5,00,000	4.07
<b>Total</b>		<b>1,22,49,911</b>	<b>99.77</b>

2. The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company ten days prior to the date of filing of this Draft Red Herring Prospectus are set forth below:

<b>Sr. No.</b>	<b>Name of the Person</b>	<b>No. of Shares Allotted</b>	<b>% of the then existing share capital</b>
1.	Vinod Agrawal	85,85,315	69.92
2.	Shivali Agrawal	26,64,596	21.70
3.	Nishil Financial Advisors LLP	5,00,000	4.07
4.	Kapadia Finwealth LLP	5,00,000	4.07
<b>Total</b>		<b>1,22,49,911</b>	<b>99.77</b>

3. The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company one year prior to the date of filing of this Draft Red Herring Prospectus are set forth below:

<b>Sr. No.</b>	<b>Name of the Person</b>	<b>No. of Shares Allotted</b>	<b>% of the then existing share capital</b>
1.	Vinod Agrawal	6,25,920	73.95
2.	Shivali Agrawal	2,20,539	26.05
<b>Total</b>		<b>8,46,459</b>	<b>100.00</b>

4. The details of our Shareholders who held 1% or more of the paid-up Equity Share capital of our Company two years prior to the date of filing of this Draft Red Herring Prospectus are set forth below:

<b>Sr. No.</b>	<b>Name of the Person</b>	<b>No. of Shares Allotted</b>	<b>% of the then existing share capital</b>
1.	Vinod Agrawal	5,36,630	73.35
2.	Shivali Agrawal	1,94,944	26.65
<b>Total</b>		<b>7,31,574</b>	<b>100.00</b>

**12. Details of Shareholding of our Promoters, members of the Promoter Group in our Company:**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,12,49,911 Equity Shares, equivalent to 91.72% of the issued, subscribed, and paid-up equity share capital of our Company.

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth in the table below:



Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
<b>Vinod Agrawal</b>							
On incorporation	Initial subscription to MoA	5,000	10	10	Cash	0.04%	[●]
August 2010	16, Share Transfer from Dilip Agrawal	5,000	10	10	Cash	0.04%	[●]
March 2011	25, Further Issue	32,500	10	10	Cash	0.26%	[●]
March 2012	03, Share Transfer from Deepak Kumar Gupta	10,000	10	10	Cash	0.08%	[●]
March 2012	31, Share Transfer from Sunderlal Gupta	8,000	10	10	Cash	0.07%	[●]
March 2013	11, Further Issue	29,500	10	30	Cash	0.24%	[●]
March 2013	25, Further Issue	5,000	10	30	Cash	0.04%	[●]
January 2014	15, Further Issue	55,000	10	25	Cash	0.45%	[●]
March 2015	31, Rights Issue	43,333	10	45	Cash	0.35%	[●]
May 09, 2015	Rights Issue	26,445	10	56.70	Cash	0.22%	[●]
July 20, 2016	Rights Issue	43,859	10	57	Cash	0.36%	[●]
December 2020	03, Rights Issue	4,678	10	85.50	Cash	0.04%	[●]
March 2022	28, Bonus Issue 1:1	2,68,315	10	NA	Other than cash	2.19%	[●]
January 2023	05, Rights Issue	23,809	10	84	Cash	0.19%	[●]
February 2023	20, Rights Issue	23,809	10	84	Cash	0.19%	[●]
March 2023	31, Rights Issue	41,672	10	84	Cash	0.34%	[●]
November 2023	18, Share Transfer to Vinod Agrawal HUF	(1,000)	10	50	Cash	-0.01%	[●]

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
November 18, 2023	Share Transfer to Pratik Agrawal	(50)	10	50	Cash	-0.00%	[●]
November 18, 2023	Share Transfer to Rohit Tandon	(50)	10	50	Cash	-0.00%	[●]
April 18, 2024	Bonus Issue (1,114:100)	69,60,495	10	NA	Other than Cash	56.69%	[●]
April 27, 2024	Rights Issue	10,00,000	10	10	Cash	8.14%	[●]
<b>Total</b>		<b>85,85,315</b>					
<b>Shivali Agrawal</b>							
March 31, 2012	Share Transfer from Rajkumari Gupta	10,000	10	10	Cash	0.08%	[●]
March 25, 2013	Further Issue	10,000	10	30	Cash	0.08%	[●]
January 15, 2014	Further Issue	5,000	10	25	Cash	0.04%	[●]
March 31, 2015	Rights Issue	5,222	10	45	Cash	0.04%	[●]
July 20, 2016	Rights Issue	43,859	10	57	Cash	0.36%	[●]
December 03, 2020	Rights Issue	23,391	10	85.50	Cash	0.19%	[●]
March 28, 2022	Bonus Issue 1:1	97,472	10	NA	Other than cash	0.79%	[●]
March 31, 2023	Rights Issue	25,595	10	84	Cash	0.21%	[●]
November 18, 2023	Share Transfer to Pritesh Shah	(50)	10	50	Cash	-0.00%	[●]
December 12, 2023	Share Transfer to Shivani Mahesh Shah	(1000)	10	10	Cash	-0.00%	[●]
April 18, 2024	Bonus Issue (1,114:100)	24,45,107	10	NA	Other than Cash	19.91%	[●]
<b>Total</b>		<b>26,64,596</b>					

The build-up of the equity shareholding of our Promoter Group since incorporation of our Company is set forth in the table below:

Date of Allotment / acquisition / transaction and when made fully paid up	Nature (Allotment/ transfer)	Number of Equity Shares	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	Consideration (cash/ other than cash)	Percentage of the pre-Issue equity share capital (%)	Percentage of the post-Issue equity share capital (%)
<b>Vinod Agarwal HUF</b>							
November 18, 2023	Transfer from Vinod Agarwal	1,000	10	50	Cash	0.01%	[●]
April 18, 2024	Bonus Issue (1,114:100)	11,140	10	NA	Other than Cash	0.09%	[●]
<b>Total</b>		<b>12,140</b>					

13. Details of the Pre and Post Offer Shareholding of our Promoters and Promoters Group is as below:

Particulars	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage (%) holding	Number of Equity Shares	Percentage (%) holding
<b>Promoters</b>				
Vinod Agrawal	85,85,315	69.92	[●]	[●]
Shivali Agrawal	26,64,596	21.70	[●]	[●]
<b>Total (A)</b>	<b>1,12,49,911</b>	<b>91.62</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoters Group</b>				
Vinod Agrawal HUF	12,140	0.10%	[●]	[●]
<b>Total (B)</b>	<b>12,140</b>	<b>0.10%</b>	<b>[●]</b>	<b>[●]</b>
<b>Total (A+B)</b>	<b>1,12,62,051</b>	<b>91.72%</b>	<b>[●]</b>	<b>[●]</b>

14. Except mentioned below, none of our shareholders belonging to Promoters and Promoter Group, Directors and their relatives have purchased or sold the Equity Shares of our Company during the past six months immediately preceding the date of filing the Draft Red Herring Prospectus:

Date of Allotment	Name of the Allottees	Equity Shares Allotted	Face Value (₹)	Offer Price (₹)	Reasons for allotment
April 18, 2024	Vinod Agrawal	69,60,495	10	NA	Bonus Issue (1114:100)
	Shivali Agrawal	24,45,107			
	Vinod Agrawal HUF	11,140			
April 27, 2024	Vinod Agrawal	10,00,000	10	10	Rights Issue

#### 15. Promoter's Contribution and other Lock-in details

##### a) Details of Promoter's Contribution locked-in for three (3) years:

Pursuant to Regulations 236 and 238 of the SEBI ICDR Regulations, an aggregate of [●]% of the fully diluted post offer Equity Share capital of our Company held by the 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 and the shareholding of the Promoter in excess of [●]% of the fully diluted post offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of allotment, are set out in the following table:

Name of Promoters	No. of Equity Shares Locked in	Post- offer equity share capital %
[•]	[•]	[•]
[•]	[•]	[•]
<b>Total</b>	[•]	[•]

*All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares, as the case may be. For details regarding allotment of the above Equity Shares, please refer section “History of Paid-up Share Capital of our Company”.*

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post offer Equity Share capital of our Company as the Promoter’s Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter’s Contribution from the date of filing of the Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Compliance with regulation 237 of SEBI ICDR Regulations, the minimum Promoter’s contribution of 20% as shown above which is subject to lock-in for three years, we confirm the following:

Reg. No	Promoter’s Conditions	Minimum Contribution	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
237 (1)(a)(i)	Specified securities acquired during the preceding three years if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction.		The Minimum Promoter’s contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b><u>Hence Eligible</u></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><u>Hence Eligible</u></b>
237 (1)(b)	Specified securities acquired by the promoters’ and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being issued to the public in the initial public offer.		The minimum Promoter’s contribution does not consist of such Equity Shares. <b><u>Hence Not Applicable</u></b>
237 (1)(I)	Specified securities allotted to the promoter and alternative investment funds during the preceding one year at a price less than the offer price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited		The minimum Promoter’s contribution does not consist of Equity Shares allotted to alternative investment funds. Hence <b><u>Not applicable</u></b>

Reg. No	Promoter's Conditions	Minimum Contribution	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoter of the issuer and there is no change in the management.		
237 (1)(d)	Specified securities pledged with any creditor.		Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Not Applicable</b>

**b) Details of share capital locked-in for one (1) year**

- (i) Pursuant to Regulation 238 (b) of the SEBI (ICDR) Regulations, in addition to the Promoter's Contribution to be locked-in for a period of three (3) years, as specified above, the entire Pre-offer Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this offer.
- (ii) Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the offer and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- (iii) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by our Promoters, which are locked in as per Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to amongst our Promoters / Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- (iv) Pursuant to Regulation 243 of the SEBI (ICDR) Regulations, Equity Shares held by shareholders other than our Promoters, which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

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

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

**17. The average cost of acquisition of or subscription of shares by our promoters are set forth in the table below:**

Sr. No.	Name of Promoters	No. of Equity Shares held	Average cost of acquisition (in ₹ per equity share)
1.	Vinod Agrawal	85,85,315	3.12
2.	Shivali Agrawal	26,64,596	2.76

*\* As certified by M/s Abhishek Kumar & Associates, Chartered Accountants, by way of their certificate dated August 21, 2024.*

18. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy back arrangements for the purchase of Equity Shares being offered through the Draft Red Herring Prospectus from any person.
19. All the Equity Shares of our Company are fully paid up as on the date of the Draft Red Herring Prospectus.

20. Further, since the entire offer price in respect of the offer is payable on application, all the successful applicants will be issued fully paid-up equity shares only.
21. No person connected with the offer shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or otherwise, to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the offer.
22. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page 165 of this Draft Red Herring Prospectus.
23. The Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
24. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under Basis of Allotment in the chapter titled "*Offer Procedure*" beginning on page 265 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the offer shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
25. An over-subscription to the extent of 10% of the offer 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 offer. Consequently, the actual allotment may go up by a maximum of 10% of the offer, as a result of which, the post offer paid up capital after the offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to locking shall be suitably increased; so as to ensure that 20% of the post offer paid-up capital is locked in.
26. Subject to valid applications being received at or above the Offer Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations, and guidelines.
27. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Offer.
28. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
29. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
30. Our Promoters and Promoter Group will not participate in the Offer.
31. Our Company has not re-valued its assets and we do not have any revaluation reserves till date.

## OBJECTS OF THE OFFER

The Offer comprises of a fresh issue up to 55,00,000 Equity Shares aggregating up to ₹ [●] lakhs, and an Offer for Sale up to 6,00,000 Equity Shares aggregating up to ₹ [●] lakhs by the Promoter Selling Shareholder. For further details of the Offer for Sale, see “*The Offer*” on page 60.

### Offer for Sale

The Promoter Selling Shareholder will be entitled to the proceeds from the sale of their respective portion of the Offered Shares in the Offer for Sale, net of their respective share of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form a part of the Net Proceeds. For further details, see “ – *Offer Related Expenses*” on page 108.

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

1. Setting up of a new manufacturing facility located at D-3/26/3, Dahej III, Industrial Estate, Dahej-392 130, Vagra, Bharuch, Gujarat (“**Proposed Greenfield Project**”);
2. Funding working capital requirements of our company; and
3. General corporate purposes

(collectively, referred to herein as the “**Objects**”)

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association of our Company enable us: (i) to undertake our Company’s existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds. Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange, including enhancing its visibility and brand image, and creating a public market for the Equity Shares of our Company

### Fresh Issue

The details of the proceeds of the Fresh Issue are summarized in the table below:

		(₹ in lakhs)
Particulars	Estimated Amount <sup>(1)</sup>	
<b>Gross proceeds</b>		[●]
Less: Estimated expenses in relation to Fresh Issue <sup>(1)(2)</sup>		[●]
<b>Net Proceeds<sup>(1)</sup></b>		[●]

<sup>(1)</sup> To be finalized on determination of the Offer Price and updated in the Prospectus prior to filing with the RoC

<sup>(2)</sup> For details, please see “Offer related expenses” on page 108 of this Draft Red Herring Prospectus.

### Utilization of Net Proceeds

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

		(₹ in lakhs)
Sr No	Particulars	Estimated Amount
1.	Setting up of a new manufacturing facility located at D-3/26/3, Dahej III, Industrial Estate, Dahej-392 130, Vagra, Bharuch, Gujarat (“ <b>Proposed Greenfield Project</b> ”);	1,178.95
2.	Funding working capital requirements of our company	900.00
3.	General corporate purposes <sup>(1)</sup>	[●]

- (1) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

## Schedule of implementation

We propose to deploy the Net Proceeds in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ in lakhs)

Sr No	Particulars	Total estimated cost	Total amount deployed as on August 21, 2024	Amount which will be financed from Net Proceeds <sup>(1)</sup>	Estimated utilization of Net Proceeds in FY 2025	Estimated utilization of Net Proceeds in FY 2026
1	Setting up of a new manufacturing facility located at Dahej, Bharuch, Gujarat <sup>(2)</sup>	1,281.74	102.79 <sup>(3)</sup>	1,178.95	1,178.95	-
2	Funding working capital requirements of our company	900.00	-	900.00	700.00	200.00
3	General corporate purposes <sup>(1)</sup>	[●]	[●]	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]	[●]	[●]

- (4) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

- (5) Total estimated cost of the Project has been certified by M/s Sanjaysingh Bist, Independent Chartered Engineer; vide their certificate dated August 12, 2024.

- (6) As certified by our Statutory Auditor; by way of their certificate dated August 21, 2024 in respect of amounts deployed by our Company towards the Project.

The fund requirements, deployment of funds, and intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, management estimates, valid vendor quotations, market conditions, and other external commercial and technical factors. However, these fund requirements and deployment plans have not been appraised by any bank, financial institution, or independent agency. For further details, see “Risk Factors - Risk Factor 40- The objects of the fresh issue for which the funds are being raised have not been appraised by any bank or financial institutions. Any variation in the utilization of our Net Proceeds as disclosed in this Draft Red Herring Prospectus would be subject to certain compliance requirements, including prior Shareholders’ approval.” on page 49. We may need to revise our funding requirements and deployment due to various factors such as our financial and market conditions, business and growth strategies, ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition, access to capital, and other external factors such as changes in the business environment, regulatory climate, and interest or exchange rate fluctuations. These factors, which may not be within our management’s control, might necessitate rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation, subject to compliance with applicable laws.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial year towards the aforementioned Objects.



Moreover, if the actual utilization towards any of 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 aggregate of the gross proceeds of the Offer, in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising 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 debt lenders. In furtherance, that such alternate arrangements would be available to fund any such shortfalls.

All quotations mentioned in this section are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendor would be engaged to eventually supply the equipment at the same costs. We are yet to place orders for the capital expenditure towards purchase of machinery. Further, for risk arising out of the Objects, see “*Risk Factor-Risk Factor 14– “We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure.”*” on page 39 of this Draft Red Herring Prospectus. This includes part financing the cost of establishing the Proposed Project which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.

There can be no assurance that we would be able to procure equipment at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s estimates and actual costs for the services may differ from the current estimates. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or through contingencies, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals.

## **Details of the Objects of the Offer**

### ***1. Funding capital expenditure requirements for setting up of a manufacturing facility in Dahej, Bharuch, Gujarat (“Proposed Greenfield Project”)***

We plan to establish a new manufacturing facility at D-3/26/3, Dahej III, Industrial Estate, Dahej-392 130, Vagra, Bharuch, Gujarat (the “**Proposed Facility**”). This strategic initiative aligns with our goal to enhance production efficiency and capitalize on economies of scale. Currently, a significant portion of our operational revenue is derived from job work, which accounted for 80.00%, 83.02%, and 54.80% of our total revenue for the financial years 2024, 2023, and 2022, respectively. We currently source these manufactured products through job work from our group company, Chinmay Chemicals Private Limited. By transitioning to in-house manufacturing, we expect to achieve cost savings and expand our production capacity, thereby strengthening the company’s long-term financial performance.

Dahej is an industrial hub located in Gujarat, India, and is part of the Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR). It has been designated as a special zone where new chemical factories and industries are permitted to operate, particularly in the chemical and petrochemical sectors. Due to its industrial nature, Dahej has specific regulations allowing for controlled pollution levels, with pollution permissions or environmental clearances typically granted only in this region. The goal is to centralize industrial activities while minimizing environmental impact on other areas, making Dahej a key part of Gujarat’s industrial expansion.

The Proposed Facility is expected to have an installed capacity of 6,000 MTPA and will primarily focus on manufacturing Synthetic Organic Dyes which will majorly serve to Food and Cosmetic industry, as well as the continued production of existing products. This expansion will enable us to meet the needs of both current and future customers more effectively. With our existing facility at C-8, GIDC Phase-II, Naroda, Ahmedabad-382330,

Gujarat, India, already operating at optimal capacity, this capital investment is essential to address the increasing demand for our dye products. We plan to allocate ₹ 1,178.95 Lakhs from the net proceeds towards the establishment of this facility.

### Capacity and Schedule of Implementation

The installed capacity of the Proposed Facility is proposed to be an aggregate of 6,000 Metric Tons per annum for synthetic organic dyes and our existing products as per the certificate dated August 12, 2024 issued by M/s. Sanjaysingh Bist, Independent Chartered Engineer and is expected to commence production by financial year 2025.

Sr. No	Particulars	Status / Expected commencement date	Expected completion date
1.	Land acquisition	Completed*	
2.	Site development, civil and structural works	December, 2024	February, 2025
3.	Planning and procurement of equipment	February, 2025	March, 2025
4.	Erection and installation of equipment	April, 2025	April, 2025
5.	Trial run	April, 2025	
6.	Commencement of commercial production	April, 2025	

\* Pursuant to agreement executed in July, 2021 has authorized the use of the licensed land for the purpose of constructing a plant out of consideration total consideration of ₹ 248.03 lakhs out of which company has already paid ₹ 102.79 Lakhs from internal accrual and the balance consideration of ₹ 145.24 Lakhs shall be paid from the net proceeds. Pursuant to said agreement after payment of total consideration we will be granted a license for a term of 99 years, starting from the earlier of the date of possession or the date of execution of the agreement.

### Estimated Cost

The details of estimated costs are set out below:

(₹ in Lakhs)				
Sr. No	Particulars	Total Estimated Cost <sup>(1)</sup>	Amount deployed as of August 21, 2024 <sup>(2)</sup> from Internal Accruals	Amount proposed to be funded from Net Proceeds
1.	Land Acquisition	248.03	102.79	145.24
2.	Building construction and Civil work	341.49	-	341.49
3.	Purchase of Machinery	567.49	-	567.49
4.	Installation of Furniture and Fixtures (FF), Office Equipments (OE) & Computers	8.53	-	8.53
5.	Electrical Installations	56.20	-	56.20
6.	Contingencies	60.00	-	60.00
<b>Total</b>		<b>1,281.73</b>	<b>102.79</b>	<b>1,178.95</b>

<sup>(1)</sup> Total estimated cost as per Chartered Engineer certificates dated August 12, 2024, issued by M/s Sanjaysingh Bist., Independent Chartered Engineer.

<sup>(2)</sup> As certified by M/s Abhishek Kumar & Associates our Statutory Auditors, by way of their certificate dated August 21, 2024.

<sup>(3)</sup> Including frontage charges, administration charges, and other charges.

The detailed break-up of the estimated cost of establishing the Proposed Manufacturing Facility is set forth below:

#### 1. Land:

The company has obtained a land on license basis from GIDC vide the agreement in July, 2021, with a total consideration of ₹ 248.03 Lakhs. Of this amount, the company has already paid ₹ 102.79 lakhs from its internal accruals. The remaining balance is to be settled through 30 monthly instalments, with the final payment scheduled for March 31, 2031. GIDC has authorized the use of the licensed land for the purpose of constructing a plant. As

part of our strategy to expand and enhance operational efficiency, we plan to manufacture Synthetic Organic Dyes primarily for the food and cosmetics industries, while also continuing the production of our existing products. The Proposed Facility will be set up on GIDC's licenced land situated at D-3/26/3, Dahej III, Industrial Estate, Dahej-392 130, Vagra, Bharuch, Gujarat admeasuring 10,082 sq. mtrs For this purpose, the parties have entered into a form of Agreement in July 2021, whereunder GIDC has transferred / assigned its rights in respect of the said land in favour of our Company. Thus, a total sum of ₹ 145.24 Lakhs shall be paid by our Company from the Net Proceeds towards acquisition of the land.

## 2. Building construction and Civil work

Sr No	Expense Category & Purpose	Unit	Price Per Unit (Amount in ₹)	Quantity	Amount proposed to be funded from the Net proceeds (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
1.	Plant Building (Slab to Slab)	Sqfoot	1,350.00	6,036.00	81.49	Quotation received from SS CONSTRUCTION dated July 1, 2024, having quotation number: 024	Valid till September 30, 2024
	Red Bricks Compound Wall (350mm & 230mm Thick)	RMT	12,000.00	300.00	36.00		
	Utilities - Underground water tanks	Litre	12.00	2,00,000.00	24.00		
	Warehouse Building	SqYard	-	-	30.00		
	Worker Quarter	-	-	-	15.00		
	Gardening	-	-	-	5.00		
2.	Factory Shed: Material: 12",10" i beam 6",5" C Chanel Cement Sheet	-	1,50,00,000.00	1.00	150.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/014124-25	Valid till September, 2024
<b>Total</b>					<b>341.49</b>		

## 3. Purchase of Machinery

The investment of purchase of machinery will include expenditures on various business product lines like Assembly, Solvent/Cationic Dyes and Intermediates (J Acid Urea/Amino C Acid/Mixed cleve acid/Gamma acid) for equipment, such as (i) MS Vessel; (ii) MembraneFilter Press; (iii) Glass Line (Under EPCG); (iv) Nitration - Enamel Reactor (Under EPCG); (v) Sulfonation - Glass Line Reactor (Under EPCG); and other machinery. Our Company has identified the necessary machinery and obtained quotations from the respective vendors, but we have not yet placed any orders or entered into definitive agreements for the procurement of this equipment. Please note that our expansion plans are indicative and subject to potential challenges, including cost overruns or delays.

The costs associated with purchase of machinery by the Company for Proposed Facility are set out below:

Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
<b>A Two Assembly Lines</b>						
1	MS (Mild Steel) Vessel with capacity 20,000 litres including Rubber Lining, Brick lining and gear motor	6,00,000.00	1.00	6.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/001/23-24	Valid till September 2024
2	MS (Mild Steel) Vessel with capacity 65,000 litres including Rubber Lining, Brick lining and gear motor	14,50,000.00	3.00	43.50	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/002/23-24	Valid till September 2024
3	1200mm x 1200mm x 50 Chamber Polypropylene Recessed Plate Type Filter Press	10,00,000.00	2.00	20.00	Quotation received from Sachin Industries Limited dated May 7, 2024 having reference number SIL/AC-0217	Valid till October 7, 2024
<b>B One Solvent / Cationic Dyes Lines</b>						
4	SS/Glass Lined Vessel (1x1) with capacity 20,000 litres including gear motor	16,50,000.00	1.00	16.50	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/003/23-24	Valid till September 2024
5	MS (Mild Steel) Vessel with capacity 20,000 litres including Rubber Lining, Brick lining and gear motor	6,00,000.00	2.00	12.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/004/23-24	Valid till September 2024
6	1200mm x 1200mm x 50 Chamber Polypropylene Recessed Plate Type Filter Press	10,00,000.00	2.00	20.00	Quotation received from Sachin Industries Limited dated May 7, 2024 having reference number SIL/AC-0217	Valid till October 7, 2024
7	48" MS (Mild Steel) Rubber lined Three Points Suspended, Manual Top Discharge Centrifuge Machine with Foot mounted Electric Motor	3,25,000.00	2.00	6.50	Quotation received from A.D Engineers dated July 3, 2024 having reference number CM/24-25/03072416	Valid till September 30, 2024
8	MS (Mild Steel) Nutch	20,000.00	2.00	0.40	Quotation received from Sarita Fabricators dated July 1, 2024 having reference	Valid till September 2024

Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
					number SF/QA/005/23-24	
9	Boiler with capacity of 2 Tons	12,00,000.00	2.00	24.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/007/23-24	Valid till September 2024
10	Membrane System with High Pressure Pump, Electric Motor, 8 Membrane Elements, One Micron Bag Filter, Micron Cartridge Filter and VFD for Desalting and Concentration of Acid Dyes	10,15,000.00	1.00	10.15	Quotation received from Fluid Sep Technologies dated June 12, 2024 having reference number FST/QTN/2024-25_R1	Valid till August 31, 2024
11	MS SS Blender with capacity of 5 Tons	8,00,000.00	2.00	16.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/006/23-24	Valid till September 2024
12	Ball Mill with capacity of 1Ton	2,00,000.00	2.00	4.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/008/23-24	Valid till September 2024
13	HDPE Spiral (High Density Poly Ethylene) Cylindrical Vertical Tank with capacity 10,000 Litres for Chemical storage with Ladder & Railing	1,73,000.00	2.00	3.46	Quotation received from Jet Fibre India Private Limited dated May 8, 2024 having reference number JET/QUOT/T/060/24-25	Valid till September 2024
14	MS Sulphuric Acid Tank with Capacity 10,000 Litres	1,50,000.00	1.00	1.50	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/010/23-24	Valid till September 2024

Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
15	Industrial Lift with Capacity of 3 Tons	6,00,000.00	3.00	18.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/011/23-24	Valid till September 2024
	Industrial Lift with Capacity of 2Tons	5,00,000.00	2.00	10.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/012/23-24	Valid till September 2024
16	Ice Crusher (Big Size) with Niche (Channel)	3,00,000.00	2.00	6.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/015/24-25	Valid till September 2024
17	Dryer (1600 Trays) with Gas Boiler	3,00,000.00	1.00	3.00	Quotation received from Sarita Fabricators dated July 1, 2024, having reference number SF/QA/013/23-24	Valid till September 2024
18	16" Impact Hammer type Pulveriser with Motor, MS angle 65x65x6 size Stand, motor mounting rail and machine foundation hole and Auto Feeder	2,00,000.00	2.00	4.00	Quotation received from Mita Chem Pulveriser Industries dated July 18, 2024 having reference number MPI/4/5/24	Valid till September 2024
19	600 Kg/Hr Water Evaporation Capacity spray dryer with Erection and Commissioning charges	59,35,000.00	1.00	59.35	Quotation received from Aditya Engineers Co. dated July 3, 2024 having reference number AEC/SD/NZ/06/ 2024-2025	Valid till October 2, 2024
<b>C Intermediates (J Acid Urea/Amino C Acid/Mixed cleve acid/Gamma acid)</b>						

Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
20	CE 5000 Litres Reactor with Impeller Agitator, Bat type Baffle Cum Thermowell, Flush bottom outlet valve	13,70,000.00	1.00	13.70	Quotation received from Sachin Industries dated May 07, 2024 having reference number GLAS/00095/24-25	Valid till October 7, 2024
21	MS (Mild Steel) Vessel with capacity 10,000 litres including Rubber Lining, Brick lining and gear motor	5,00,000.00	2.00	10.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/001/23-24	Valid till September 2024
22	1200mm x 1200mm x 50 Chamber Polypropylene Recessed Plate Type Filter Press	10,00,000.00	1.00	10.00	Quotation received from Sachin Industries Limited dated May 7, 2024 having reference number SIL/AC-0217	Valid till October 7, 2024
23	CE 5000 Litres Reactor with Impeller Agitator, Bat type Baffle Cum Thermowell, Flush bottom outlet valve	13,70,000.00	1.00	13.70	Quotation received from Sachin Industries dated May 07, 2024 having reference number GLAS/00095/24-25	Valid till October 7, 2024
24	CE 5000 Litres Reactor with Impeller Agitator, Bat type Baffle Cum Thermowell, Flush bottom outlet valve	13,70,000.00	2.00	27.40	Quotation received from Sachin Industries dated May 07, 2024 having reference number GLAS/00095/24-25	Valid till October 7, 2024
25	FRP Moulding Tank with Capacity 15,000 Litres with Inside Buffels, Manhole of 500mm DIA	5,00,000.00	2.00	10.00	Quotation received from Deep Enterprises dated July 18, 2024 having reference number MAY/DE/24-25/QUOT/ARUNAYA FRP /013-A	Valid till September 30, 2024

Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
26	Reduction Vessel with Capacity 15,000 Litres	5,00,000.00	2.00	10.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/002/23-24	Valid till September 2024
27	MS (Mild Steel) Concentration Vessel with capacity 10,000 litres including Rubber Lining, Brick lining and gear motor	6,50,000.00	2.00	13.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/003/23-24	Valid till September 2024
28	1200mm x 1200mm x 50 Chamber Polypropylene Recessed Plate Type Filter Press	10,00,000.00	1.00	10.00	Quotation received from Sachin Industries Limited dated May 7, 2024 having reference number SIL/AC-0217	Valid till October 7, 2024
29	1500mm x 1500mm x 50Chamber POLYPROPYLENE RECESSED PLATE TYPE FILTER PRESS with Hydraulic Power back with Motor	21,50,000.00	1.00	21.50	Quotation received from Sachin Industries Limited dated May 7, 2024 having reference number SIL/AC-0217	Valid till October 7, 2024
30	Storage Tank Alkali	3,00,000.00	1.00	3.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/004/23-24	Valid till September 2024
31	Storage Tank (HCL) with capacity 30 KL	3,00,000.00	1.00	3.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/005/23-24	Valid till September 2024



Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
32	Storage Tank (Nitric Acid) with capacity 30 KL	5,00,000.00	1.00	5.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/006/23-24	Valid till September 2024
33	Storage Tank (Sulphuric Acid) with capacity 30 KL	5,00,000.00	1.00	5.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/007/23-24	Valid till September 2024
34	Storage Tank (Concentrated Sulphuric Acid) with capacity 30 KL	6,00,000.00	1.00	6.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/008/23-24	Valid till September 2024
35	Tray Dryer with Capacity 400 Trays	5,00,000.00	1.00	5.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/009/23-24	Valid till September 2024
36	16" Impact Hammer type Pulveriser with Motor, MS angle 65x65x6 size Stand, motor mounting rail and machine foundation hole and Auto Feeder	2,00,000.00	1.00	2.00	Quotation received from Mita Chem Pulveriser Industries dated July 18, 2024 having reference number MPI/3/5/24	Valid till September 2024
<b>D MEE</b>						
37	Sand Filter and Carbon Filter	5,00,000.00	1.00	5.00	Quotation received from Sarita Fabricators dated July 1, 2024 having reference number SF/QA/016/24-25	Valid till September 2024
<b>E Pollution Department</b>						

Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
38	Carbon Filter	10,00,000.00	1.00	10.00	Quotation received from Sarita Engineering dated July 1, 2024 having reference number SE/QA/010/23-24	Valid till September 2024
39	SS 5100H Spectrophotometer with accessories for Laboratory application instruments	7,72,500.00	1.00	7.73	Quotation received from PREMIER COLORSCAN INSTRUMENTS PVT. LTD. dated July 18, 2024 having reference number CMS/2024-25/073	Valid till September 18, 2024
40	Laboratory Instruments Set up with Beaker Dyeing Machine, Infra Color Dyeing Machine, Padding Machine	7,50,000.00	1.00	7.50	Quotation received from Deep Engineers dated May 10, 2024 having reference number DE/G010/2024-25	Valid till September 18, 2024
<b>G Accessories</b>						
41	2" X 2" S.S. 316 Centrifugal Pump, With Base Plate & Capal Set, With 5 H.P. Ele. Motor.	48,000.00	20.00	9.60	Quotation received from P.Das Engineering Works dated July 11, 2024 having reference number 03	Valid till September 11, 2024
42	Gearbox And Motor For Vessel Application Motor Hp 50/37 Kw 1450 Rpm, Flange Type Motor Ie2, Gearbox Helical Type, Output Rpm Of Gearbox 42.	7,50,000.00	10.00	75.00	Quotation received from Motion Transmission Co. dated July 12, 2024 having reference number MT/05/24-25	Valid till September 30, 2024
<b>Total Cost</b>				<b>567.49</b>		

#### 4. Installation of FF, OE & Computers

Sr No	Expense Category & Purpose	Price Per Unit (Amount in ₹)	Quantity	Total Amount (₹ in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
<b>A Installation Charges</b>						
1	Desktop – Laptop Computer Systems Printer	5,21,695.00	1.00	5.22	Quotation received from Panchal Brothers dated July 1, 2024, having reference number PB/CM/012412	Valid till October 1, 2024
2	CCTV CAMERA Setup	3,31,644.00	1.00	3.32	Quotation received from Panchal Brothers dated July 1, 2024, having reference number PB/CM/012413	Valid till October 1, 2024
<b>Total</b>				<b>8.53</b>		

#### 5. Electrical Installations

Sr No	Expense Category & Purpose	Price Per Unit (In Rs.)	Quantity	Total Amount (Rs in lakhs)	Quotation Received From, Date and Reference Number	Validity of Quotation
<b>A Installation Charges</b>						
1	Electrification - Transformer Load (Copper wound Converter Duty Transformer)	16,20,000.00	1.00	16.20	Quotation received from Powerlite Electricals Pvt Limited dated July 13, 2024 having reference number PEPL/24-25/TRQ/9415_B	Valid till September 30, 2024
2	Electrical Control Panel (PCC + MCC) With Cable And Wiring For All Incoming And Outgoing	40,00,000.00	1.00	40.00	Quotation received from JP Industries dated July 7, 2024, having reference number JPI/AHD/V/JP1015	Valid till September 7, 2024
<b>Total</b>				<b>56.20</b>		

#### 6. Contingencies

We have created a provision for contingency of ₹ 60.00 Lakhs, which is approximately 5.09% of total estimated cost, to cover various project related costs.

#### Government Approvals

In relation to the Proposed Facility, we are required to obtain certain approvals, which are routine in nature, from certain governmental or local authorities, the status of which is provided below as per Chartered Engineer certificate dated August 12, 2024, issued by M/s Sanjaysingh Bist, Independent Chartered Engineer.

Sr No.	Authority		Approval for	Application Date	Approval Date	Stage at which approvals are required	Status	
1.	State Environment Assessment Authority*	Level Impact	EC Approval (Environmental Clearance)	June 03, 2024	-	Critical approval	Applied	
2.	GPCB*		CTE (Consent to Establish)	June 03, 2024	-	Routine Approval	Applied	
3.	GPCB		Consolidated Consent and Authorization	-	-	Routine approval	Yet to apply	
						After the commissioning of the project		
4.	Joint Director Industrial Safety & Health, Gujarat		Factory License	Act	-	-	Routine approval	Yet to apply
						Before the commissioning of the project		
5.	DGYCL		Electricity Board License	-	-	Routine approval	Yet to apply	
						Before the commissioning of the factory operations		

\* The company has received Standard Terms of Reference (ToR) to the proposed Project under the EIA Notification 2006- and as amended thereof.

## Means of finance

Apart from the amounts already incurred towards the above Object, the balance amount to be spent on the above Object shall be financed from the Net Proceeds and existing identifiable internal accruals. Therefore, the requirements under Regulation 230(1)(e) of the SEBI ICDR Regulations to make firm arrangements through verifiable means towards 75% of the stated means of finance are not applicable to this Offer.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on the certificate issued by M/s Sanjaysingh Bist., Independent Chartered Engineers dated August 12, 2024, our current business plan, managements estimates, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management.

## 2. Funding working capital requirements:

We propose to utilize ₹ 900.00 lakhs from the Net Proceeds towards funding the working capital requirements of our Company.

Our business is working capital intensive and we fund our working capital requirements in the ordinary course of business from our internal accruals and financing facilities from various banks, financial institutions and unsecured lenders. Our Company requires additional working capital for funding future growth requirements of our Company and for other corporate purposes.

As of May 31, 2024, our Company's sanctioned working capital facilities in the form of fund-based borrowings was ₹ 825.27 lakhs and long-term working capital borrowings was ₹ 165.99 lakhs. As of May 31, 2024, our Company's outstanding working capital facilities in the form of short-term borrowings was ₹ 825.27 lakhs and long-term working capital borrowings was ₹ 150.43 lakhs. For further details, see "*Financial Indebtedness*" on page 227.

Our Company requires additional working capital to fund its working capital requirements in the Fiscals 2025 and 2026

### ***Basis of estimation of working capital requirement***

The estimates of the working capital requirements for the Fiscals 2025 and 2026 have been prepared based on the management estimates of future financial performance. The projection has been prepared using a set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur.

On the basis of existing and estimated working capital requirement of our Company on restated financial statement, and assumptions for such working capital requirements, our Audit Committee and Board pursuant through its resolution dated August 21, 2024 has approved the projected working capital requirements for the Fiscals 2024 and 2025 and the proposed funding of such working capital requirements as set forth below:

### ***Existing Working Capital:***

Set forth below are the details of our Company's existing working capital as of March 31, 2022, March 31, 2023, and March 31, 2024, on a standalone basis. Our total working capital requirements has increased from ₹ 900.25 lakh as of March 31, 2022, to ₹ 1,479.04 lakh as at March 31, 2023 and from ₹ 1,479.04 lakh as of, 2023 to ₹ 1,870.68 lakh as of March 31, 2024 primarily on account of an increase in our Inventories and trade receivables and other current assets. With the expected increase in business volume in future leading to increase in trade receivables, Inventories and Trade Payable.

(₹ in Lakhs)			
Particulars	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
<b>Current Assets</b>			
a. Inventories	1758.04	885.81	476.20
b. Financials Assets			
i. Trade Receivable	2073.85	2183.97	2228.73
ii. Cash and Cash Equivalents	11.18	22.63	16.72
c. short term loans and advances	21.80	27.66	51.33
d. Other financial assets and current assets	51.42	178.60	95.75
<b>Total Current Assets (A)</b>	<b>3,916.29</b>	<b>3,298.66</b>	<b>2,868.73</b>

Particulars	Year ended on March 31, 2024	Year ended on March 31, 2023	Year ended on March 31, 2022
<b>Current Liabilities</b>			
a. Financial Liabilities			
i. Trade payables	1862.73	1722.99	1894.99
b. Short term provisions	155.63	70.84	55.88
c. Other current liabilities	27.25	25.79	17.61
<b>Total Current Liabilities (B)</b>	<b>2,045.61</b>	<b>1,819.62</b>	<b>1,968.48</b>
<b>Working Capital (C=A-B)</b>	<b>1,870.68</b>	<b>1,479.04</b>	<b>900.25</b>
<b>Means of Finance</b>			
Borrowing/Internal Accruals	<b>1,870.68</b>	<b>1,479.04</b>	<b>900.25</b>

*\*As certified by our Statutory Auditor, M/s Abhishek Kumar & Associates., Chartered Accountants, by way of their certificate dated August 21, 2024.*

### **Estimated Working Capital:**

The details of our Company's estimated working capital requirements on a standalone for the Fiscals 2024 and 2025 and funding of the same are as provided in the table below:

(₹ in Lakhs)

Particulars	Financial Year ended on March 31, 2025	Financial Year ended on March 31, 2026
<b>Current Assets</b>		
a. Inventories	1849.32	2311.31
b. Financials Assets		
i. Trade Receivable	2465.75	2739.73
ii. Cash and Cash Equivalents	100.00	150.00
c. Short term loans and advances	60.00	50.00
d. Other financial assets and current assets	300.00	200.00
<b>Total Current Assets (A)</b>	<b>4,775.07</b>	<b>5,451.04</b>
<b>Current Liabilities</b>		
a. Financial Liabilities		
i. Trade payables	1825.48	1734.20
b. Short term provisions	120.00	150.00
c. Other current liabilities	25.00	24.50
<b>Total Current Liabilities (B)</b>	<b>1,970.48</b>	<b>1,908.70</b>
<b>Working Capital (C=A-B)</b>	<b>2,804.59</b>	<b>3,542.34</b>
<b>Means of Finance</b>		
Borrowing/ Internal accruals	2104.59	3342.34
Amount proposed to be utilized from Net Proceeds	700.00	200.00
<b>Total Means of Finance</b>	<b>2,804.59</b>	<b>3542.34</b>

### **Assumptions for our estimated working capital requirements**

Particulars (in days)	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
<b>Current Assets</b>					
<b>Inventory <sup>(1)</sup></b>	43	38	96	106	101

Particulars (in days)	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
<b>Trade Receivables</b> <sup>(2)</sup>	109	106	125	106	101
<b>Current Liabilities</b>					
<b>Trade Payables</b> <sup>(3)</sup>	128	102	130	109	86

<sup>(1)</sup> Inventory days is defined as average inventory divided by Cost of Goods Sold multiplied by 365 days for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress and traded goods.

<sup>(2)</sup> Trade receivable days is defined as average trade receivables divided by revenue from operations multiplied by 365 days for fiscal years.

<sup>(3)</sup> Trade payable days is defined as average trade payables divided by Cost of Goods Sold multiplied by 365 days for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress and traded goods.

### Key assumptions and justifications for working capital requirements

The table hereunder contains the holding period (with days rounded to the nearest number) and justifications for holding period levels on the basis of Restated Financial statements:

Particulars	Justification
<b>Inventory</b>	In Fiscal 2022 and Fiscal 2023, the company gradually transitioned from trading to job work and manufacturing, which likely required less inventory on hand, leading to a reduction in inventory days to 43 and 38, respectively. Job work and manufacturing typically involve more predictable production schedules than trading. The process begins with dye preparation according to client specifications, followed by an approval period of around 25-30 days before production can start. This extended approval process, combined with a slowdown in the dyeing industry, contributed to a significant increase in inventory days to 87 in Fiscal 2024, as the company accumulated inventory in anticipation of a future demand recovery. Moving forward, the company plans to fully focus on manufacturing, necessitating higher inventory days. Consequently, the company's projected inventory days will be 106 days in Fiscal 2025, and 101 days in Fiscal 2026.
<b>Trade receivables</b>	The holding levels of trade receivables increased from 109 days in Fiscal 2022 to 106 days in Fiscal 2023, and further to 125 days in Fiscal 2024. The rise in Fiscal 2024 was due to the slowdown in the dyeing industry, which forced the company to extend credit terms with its customers. Looking ahead, we expect trade receivable days to return to previous levels as demand recovers, with projections of 106 days in Fiscal 2025 and 101 days in Fiscal 2026, aligning closely with the levels seen in Fiscal 2023.
<b>Trade payables</b>	The holding levels of trade payables were 128 days in Fiscal 2022, 102 days in Fiscal 2023, and 130 days in Fiscal 2024. The increase in trade payable days from 102 in Fiscal 2023 to 130 in Fiscal 2024 was likely due to the company extending payment terms with suppliers to manage cash flow pressures from the dyeing industry slowdown and longer credit terms with customers. With demand expected to recover in Fiscal 2025 and Fiscal 2026, the company plans to streamline its payment processes to vendors, aiming to negotiate better rates, which is expected to reduce holding levels to 109 days in Fiscal 2025 and 86 days in Fiscal 2026.

### 3. General corporate purposes

Our Company proposes to deploy the balance proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the gross proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our

Company proposes to utilise net proceeds include, business development initiatives, meeting any expense including salaries, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years.

### Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] lakhs. The expenses of this Offer include, among others, listing fees, selling commission and brokerage, fees payable to the BRLM, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank(s) and Sponsor Bank to the Offer, processing fee to the SCSBs for processing application forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses, fees payable to consultants and auditors for deliverables in connection with the Offer and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange.

Other than (i) the listing fees which shall be solely borne by the Company; and (ii) all costs, fees and expenses that are associated with and incurred in connection with the Offer shall be borne by the Company and the Selling Shareholder solely based on the following: (i) by the Company in relation to the Equity Shares issued and allotted by the Company in the Fresh Issue; and (ii) by the Selling Shareholder in proportion to their respective number of the Offered Shares sold and transferred in the Offer for Sale, in accordance with Applicable Law, including section 28(3) of Companies Act, 2013. All estimated Offer related expenses to be proportionately borne by the Selling Shareholder shall be deducted from the proceeds of the Offer for Sale, and subsequently, the balance amount from the Offer for Sale will be paid to the Selling Shareholder. In the event, any expense is paid by our Company on behalf of the Selling Shareholder in the first instance, it will be reimbursed to our Company, by the Selling Shareholder to the extent of its respective proportion of Offer related expenses, directly from the Public Offer Account.

It is clarified that, if the offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses shall be shared between our Company and the Selling Shareholder in proportion to the number of Equity Shares offered by our Company through the Fresh Issue and the number of Offered Shares offered by the Selling Shareholder in the Offer for Sale, in accordance with Applicable Law.

The break-up for the estimated offer related expenses are as set forth below:

Activity expense	Estimated expenses <sup>(1)</sup> (₹ in lakhs)	Percentage of total estimated offer expenses <sup>(1)</sup>	Percentage of offer size <sup>(1)</sup>
Offer relating expenses such as fees to Book Running Lead Manager Fixed Fee, Registrar to	[●]	[●]	[●]



Activity expense	Estimated expenses <sup>(1)</sup> (₹ in lakhs)	Percentage of total estimated offer expenses <sup>(1)</sup>	Percentage of offer size <sup>(1)</sup>
the Offer, Legal Advisors, Auditors, statutory advertisements and other expenses incurred / to be incurred including promotional expenses			
Underwriting commission, brokerage and selling commission (including Commission/processing fees for SCSBs, Sponsor Bank, Members of the Syndicate, Registered Brokers, RTAs and CDPs <sup>(2)(3)</sup> )	[●]	[●]	[●]
Listing fees, Stock Exchange processing/ listing fees, software fees, Depositories' fees, other regulatory expenses and sundry expenses.	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

*\*Please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost. The amount deployed so far toward Offer expenses shall be recouped out of the Offer proceeds.*

**Notes:**

1. The fund deployed towards offer expenses is ₹ 5.50 lakhs pursuant to certificate issued by our Statutory Auditors M/s Abhishek Kumar & Associates., Chartered Accountants dated August 21, 2024.
2. Includes Selling commission payable to registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non – Institutional Applicants, would be [●]% on the allotment amount on the application wherein shares are allotted.
3. Includes commission/Processing fees of ₹ [●] per valid application forms for SCSBs. In case the total processing fees payable to SCSBs exceeds ₹ [●] lakhs, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed ₹ [●] lakhs.

The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary

### Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### Bridge Financing Facilities

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

### Monitoring Utilization of Funds

As the size of the Offer will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Audit Committee and the management will

monitor the utilization of the Net Offer Proceeds. 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 Offer. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Offer have been utilized in full.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Offer unless our Company is authorised to do so by way of a special resolution of its Shareholders through a postal ballot and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in Gujarati, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal to vary the objects, at a price and in such manner as may be prescribed by SEBI in Regulation 290 and Schedule XX of the SEBI ICDR Regulations.

### **Appraising Entity**

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other agency.

### **Other Confirmations**

Except for the proceeds payable to the Selling Shareholder pursuant to the Offer for Sale, no part of the Net Proceeds will be paid to our Promoters, Promoter Group, Directors, or our Key Managerial Personnel and Senior Management, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Promoters, Promoter Group, Directors or our Key Management Personnel in relation to the utilisation of the Net Proceeds.

## BASIS FOR OFFER PRICE

The Price Band will be determined by our Company in consultation with the BRLM. The Offer Price will be determined by our Company, in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares offered in the offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “Our Business”, “Risk Factors”, “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 130, 30, 187 and 219, respectively, of this DRHP to have an informed view before making an investment decision.

### **Qualitative factors**

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Experienced and dedicated promoter and professional management team with extensive domain knowledge.
- Wide product portfolio.
- R&D capability.
- Quality Assurance.

For further details, see “Our Business – Strengths” on page 138 of this DRHP.

### **Quantitative factor**

Some of the information presented below relating to our Company is derived from the Restated Financial Statements.

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

#### **I. Basic and diluted earnings per share (“EPS”)**

Year ended	Basic/Diluted EPS (in ₹)	Weight
Fiscal 2024	3.97	3
Fiscal 2023	1.70	2
Fiscal 2022	1.53	1
<b>Weighted Average</b>	<b>2.81</b>	

Notes:

- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year / Total of weights.
- Basic and diluted EPS are based on the Restated Financial Statement.
- The face value of each Equity Share is ₹10.
- Earnings per Share (₹) = Profit after tax excluding exceptional items attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares during the respective year/period.;
- Earnings per Share calculations are in accordance with the notified Accounting Standard 20 ‘Earnings per share’.
- The figures disclosed above are based on the Restated Financial Statements.
- Pursuant to a resolution of our Board passed in their meeting held on April 12, 2024, and a resolution of our Shareholders passed in their extraordinary general meeting held on April 15, 2024, issued bonus shares in the proportion of one thousand one hundred fourteen equity shares for every one hundred existing fully paid-up Equity Share (1114:100) held by such Shareholders. The impact of the bonus issue has been considered in the calculation of basic and diluted EPS for our Company, i.e., bonus of equity shares are retrospectively considered for the computation of EPS for all financial years/ period presented.

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

Particulars	P/E at the Floor Price (number of times) *	P/E at the Cap Price (number of times) *
P/E ratio based on Basic EPS for Fiscal 2024	[●]	[●]
P/E ratio based on Diluted EPS for Fiscal 2024	[●]	[●]

*\*To be updated at Prospectus stage.*

*Note: Price / earning (P / E) ratio is computed by dividing the price per share by earnings per share.*

### Industry Peer Group P/E ratio

Particulars	Industry P/E (Number of times)
Industry	
Highest	92.90
Lowest	81.65
<b>Average</b>	<b>87.28</b>

*Notes:*

- The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P / E of the industry peer set disclosed in this section.
- P/E Ratio has been computed based on the closing market price of equity shares on the NSE/BSE website on August 12, 2024, divided by the Diluted EPS for the period ended March 31, 2024.
- All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2024, as available on the websites of the Stock Exchanges.

### III. Return on Net Worth (“RoNW”)

Derived from the Restated Financial Statements:

Fiscal	RoNW %	Weight
Fiscal 2024	44.33%	3
Fiscal 2023	28.11%	2
Fiscal 2022	32.22%	1
<b>Weighted Average</b>	<b>37.30%</b>	

*Notes:*

- Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RoNW x Weight) for each year / Total of weights.
- The figures disclosed above are based on the Restated Financial Statements of our Company.
- Return on Net Worth (%) = Restated Profit/(loss) attributable to owners of the holding company / average net worth at the end of the year.
- Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company, excluding non-controlling interest)

### IV. Net asset value per Equity Share (face value of ₹ 10 each)

Net Asset Value per Equity Share derived from the Restated Financial Statements:

Particulars	Amount (₹)
Net Asset Value per Equity Share as of March 31, 2024	10.96
Net Asset Value per Equity Share as of March 31, 2023	7.05
After completion of the offer	
(i) At Floor price	[●]
(ii) At Cap Price	[●]
<b>Offer Price per equity share</b>	<b>[●]</b>

*Notes:*

1. Net Asset Value per Equity Share is calculated as total equity divided by weighted average number of equities shares outstanding during the respective year/period.
2. Pursuant to a resolution of our Board passed in their meeting held on April 12, 2024, and a resolution of our Shareholders passed in their extraordinary general meeting held on April 15, 2024, issued bonus shares in the proportion of one thousand one hundred fourteen equity shares for every one hundred existing fully paid-up Equity Share (1114:100) held by such Shareholders. The impact of the bonus issue has been considered in the calculation of NAV for our Company, i.e., bonus of equity shares are retrospectively considered for the computation of NAV for all financial years/ period presented.

## V. Comparison with listed industry peer:

Following is the comparison with our peer companies listed in India:

Name of the Company		Face value (₹)	Revenue from operations (₹ in Lakhs)	For the year ended March 31, 2024				NAV per Equity (₹)
				Basic EPS (₹)	Diluted EPS (₹)	P/E (based on Diluted EPS)	Return on average net worth (%)	
Arunaya Organics Limited		10	6223.32	3.97	3.97	[●]	44.13%	10.96
<b>Peer Group</b>								
Vipul Organics Limited		10	15,007.86	2.57	2.57	92.90	6.00%	44.75
Mahickra Chemicals Limited		10	7,191.68	1.32	1.32	81.65	3.26%	41.03

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (If applicable) sourced from the Annual Reports of the peer company uploaded on the NSE website for the year ended March 31, 2024.

Notes:

- a) P/E Ratio has been computed based on the closing market price of equity shares on the NSE/BSE website on August 12, 2024 divided by the Diluted EPS for the period ended March 31, 2024.
- b) RoNW is computed as net profit after tax divided by the net worth. Net worth has been computed as sum of share capital and reserves and surplus.
- c) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, Management Discussion and Analysis of Financial Position and Results of Operations” and “Financial Information” on pages 30, 130, 219 and 187, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

## VI. Key financial and operational performance indicators (“KPIs”)

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

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 Offer as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanations
Revenue from Operations (₹)	Revenue from Operations is used by our management to track the revenue

KPI	Explanations
Lakhs)	profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to tack the total revenue generated by the business including other income.
EBITDA (₹ Lakhs)	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.
Profit After Tax (₹ Lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Interest Coverage Ratio	The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.
Return on Capital employed (RoCE) (%)	It is calculated as profit before tax plus finance costs divided by total assets plus current liabilities.
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables.
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 21, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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-year period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by M/s Abhishek Kumar & Associates, Chartered Accountants, by their certificate dated August 21, 2024.

## VII. Financial KPI of our Company

Metric	As of and for the Fiscal		
	2024	2023	2022
Revenue From operations (₹ in Lakhs)	6,223.32	7,585.02	6,154.72
Total revenue (₹ in Lakhs)	6,279.45	7,636.96	6,225.6
EBITDA (₹ in Lakhs)	649.53	283.70	200.14
EBITDA Margin (%)	10.44%	3.74%	3.25%
Profit after tax (₹ in Lakhs)	408.42	174.64	136.12
PAT Margin (%)	6.56%	2.30%	2.21%
Return on Equity (ROE) (%)	44.13%	29.11%	33.22%
Debt To Equity Ratio	1.18	1.82	2.08
Interest Coverage Ratio	5.27	4.19	3.05
Return on Capital Employed (ROCE) (%)	52.15%	33.84%	37.22%
Current Ratio	1.30	1.15	1.08
Net Capital Turnover Ratio	4.75	8.26	9.01

Notes:

- As certified by M/s Abhishek Kumar & Associates., Chartered Accountants pursuant to their certificate dated August 21, 2024. The Audit committee in its resolution dated August 21, 2024 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as

disclosed in this section.

2. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
3. EBITDA refers to earnings before interest, taxes, depreciation, amortization, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.
4. EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
5. Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.
6. Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.
7. Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).
8. Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBITDA by finance cost payment.
9. RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total assets plus current liabilities.
10. Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
11. Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).

See “Management Discussion and Analysis of Financial Position and Results of Operations” on page 219 for the reconciliation and the manner of calculation of our key financial performance indicators.

#### VIII. Comparison of financial KPIs of our Company and our listed peer.

Metric	Arunaya Organics Limited			Vipul Organics Limited			Mahickra Chemicals Limited		
	As of and for the Fiscal			As of and for the Fiscal			As of and for the Fiscal		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Revenue From operations (₹ in Lakhs)	6,223.32	7,585.02	6,154.72	15,007.86	13,393.25	13,319.69	7,191.68	10,303.38	10,230.09
Total revenue (₹ in Lakhs)	6,279.45	7,636.96	6,225.66	15,099.30	13,399.73	13,515.98	7,418.80	10,681.45	10,623.21
Revenue Growth (%)	(17.78)	22.67	-	12.68	(0.86)	-	(30.55)	0.55	-
EBITDA (₹ in Lakhs)	649.53	283.70	200.14	1,169.53	1,165.65	1,464.39	67.02	227.97	171.74
EBITDA Margin (%)	10.44%	3.74%	3.25%	7.79%	8.70%	10.99%	0.93%	2.21%	1.68%
Profit after tax (₹ in Lakhs)	408.42	174.64	136.12	334.03	187.19	696.84	107.43	329.91	334.83
PAT Growth (%)	133.86	28.29	-	78.44	(73.14)	-	(67.44)	(1.47)	-
PAT Margin (%)	6.56%	2.30%	2.21%	2.23%	1.40%	5.23%	1.49%	3.20%	3.27%
Return on Equity (ROE) (%)	44.13%	29.11%	33.22%	6.00%	3.55%	15.02%	3.26%	10.60%	11.82%
Debt To Equity Ratio	1.18	1.82	2.08	0.49	0.54	0.56	0.40	0.31	0.34
Interest Coverage Ratio	5.27	4.19	3.05	4.86	4.36	8.92	0.58	2.44	2.29
Return on Capital Employed (ROCE) (%)	52.15%	33.84%	37.22%	8.37%	6.62%	15.29%	5.97%	13.37%	13.97%

Metric	Arunaya Organics Limited			Vipul Organics Limited			Mahickra Chemicals Limited		
	As of and for the Fiscal 2024	2023	2022	As of and for the Fiscal 2024	2023	2022	As of and for the Fiscal 2024	2023	2022
Current Ratio	1.30	1.15	1.08	1.27	1.36	1.29	2.03	1.95	1.76
Net Capital Turnover Ratio	4.75	8.26	9.01	1.79	1.64	1.79	1.61	2.50	2.65
EPS	3.97	1.70	1.53	2.57	1.45	5.76	1.32	4.05	4.12

Notes:

1. Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
2. EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.
3. EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
4. Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes by our revenue from operations.
5. Return on equity (RoE) is equal to profit for the year divided by the total equity during that period and is expressed as a percentage.
6. Debt to equity ratio is calculated by dividing the debt (i.e., borrowings (current and non-current) and current maturities of long-term-borrowings) by total equity (which includes issued capital and all other equity reserves).
7. Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing cash profit after tax plus interest payment by interest payment.
8. RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total assets plus current liabilities.
9. Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.
10. Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).
11. Return on Net Worth (RoNW) is a measure of profitability (expressed in percentage) and is defined as net profit after tax attributable to our equity shareholders divided by our Net Worth (total shareholders' equity) for the year. "Net Worth" is defined as the aggregate of share capital and other equity.
12. EPS- Profit after tax divided by weighted average number of equity shares.

**\*\* All the information for listed industry peer mentioned above is on a consolidated basis and is sourced from their respective Audited Balance Sheet.**

## IX. Weighted average cost of acquisition ("WACA"), floor price and cap price

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

Except as stated below, there has been no primary / new issue of shares (equity/convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of filing of the DRHP / RHP, where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance")

Date of allotment	No. of equity shares allotted	Face value per equity share (₹)	Offer price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (₹ in lakhs)
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April 27, 2024	20,02,420	10	10	Right issue	Cash	200.24
March 31, 2023	8,16,621*	10	84	Rights Issues	Cash	56.50
February 20, 2023	2,89,041*	10	84	Rights Issues	Cash	20.00
January 05, 2023	2,89,041*	10	84	Rights Issues	Cash	20.00
<b>Weighted average cost of acquisition (WACA)</b>						<b>8.74</b>

\*Adjusted for bonus shares allotted in the ratio of 1,114 equity shares for Hundred equity share pursuant to Board resolution dated 15<sup>th</sup> April, 2024.

**b) The price per share of our Company based on secondary sale/ acquisitions of shares (equity / convertible securities)**

There have been no secondary sale/transfers or acquisition of any Equity Shares or convertible securities, where the Promoters, members of the Promoter Group, the Promoter Selling Shareholders or Shareholders having the right to nominate Directors to the Board of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Past Transactions	Weighted average cost of acquisition (₹)	Floor Price ₹[●]	Cap Price ₹[●]
WACA of Equity Shares that were issued by our Company	10.00	[●]	[●]
WACA of Equity Shares that were acquired or sold by way of secondary transactions	N.A.	N.A.	N.A.

**X. Justification for Basis of Offer Price**

Explanation for Offer Price / Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for year ended on March 31, 2024, March 31, 2023 and March 31, 2022.

[●]\*

\*To be included in the finalization of Price Band.

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

[●]\*

\*To be included upon finalization of Price Band

**XI. The Offer Price is [●] times of the Face Value of the Equity Shares.**

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management Discussion and Analysis of Financial Position and Results of Operations" and "Financial Information" on pages 30, 130, 219 and 187, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,  
**The Board of Directors**  
**Arunaya Organics Limited**  
Ahmedabad, India.

Dear Sir(s):

**Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of Arunaya Organics Limited (the “Company” and such offering, the “Issue”)**

We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 ('Act'), as amended by the Finance Act, 2021 i.e. applicable for FY 2024-25 and AY 2025-26, and other direct tax laws 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 statute. Hence, the Arunaya Organics Limited of the Company or its shareholders to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. 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 Issue. We are neither suggesting nor advising the investor to invest money based on this statement.

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

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

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.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of tax benefits in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.

Yours sincerely,  
**For Abhishek Kumar & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No.: 130052W

**CA Abhishek Agrawal**  
**Proprietor**  
**Membership No: 132305**  
**Place: Ahmedabad**

**Date: August 21, 2024**  
**UDIN: 24132305BKEZAG9855**

## **Annexure-A**

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder 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 the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

#### **A. SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, 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 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

1. Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set-off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The options needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised. The Company has represented to us that they have opted for section 115BAA of the Act for AY 2023- 24.
2. **Deductions from Gross Total Income**

Deduction in respect of employment of new employees – 80JJAA of the Act:

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

Deduction in respect of inter-corporate dividends – Section 80M of the Act: Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax (“DDT”), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-O has been paid. The Company is required to deduct Tax at Source 147 (“TDS”) at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any). With respect to a shareholder, which is a domestic company as defined in section 2(22A) of the Income

Tax Act, 1961, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

## **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)**

1. Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.
2. As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act. It is worthwhile to note that tax shall be levied where such capital gains exceed 1,00,000. C. Section 112 of the Act provides for taxation of long-term capital gains. In case of a domestic company/ resident, amount of income-tax on long-term capital gains arising from the transfer of a capital asset shall be computed at the rate of 20%. In case of non-resident (not being a company) or a foreign company, the amount of income-tax on long term capital gains arising from the transfer of a capital asset (being unlisted securities or shares of a company not being a company in which the public are substantially interested) shall be calculated at the rate of 10% without giving effect to the first and second proviso to section 48. Further, where the tax payable is payable in respect of any income arising from the transfer of a long term capital asset, being listed securities (other than a unit) or zero coupon bond, then such income will be subject to tax at the rate of 10% of the amount of capital gains before giving effect to the provisions of the second proviso to section 48. D. As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfilment of prescribed conditions under the Act.

### **Notes:**

1. *We have not considered the general tax benefits available to the Company, or shareholders of the Company.*
2. *The above is as per the Tax Laws as on date.*
3. *The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
4. *This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.*
5. *The benefits in I and II above are as per the current tax law as amended by the Finance Act, 2024.*

6. *This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.*
7. *Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.*
8. *If the Company opts for concessional income tax rate under section 115BAA of the Act, surcharge shall be levied at the rate of 10% irrespective of the amount of total income.*
9. *Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.*
10. *Further, it is also clarified in section 115JB (5A) that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such company will not be entitled to claim tax credit relating to MAT.*
11. *No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.*

## SECTION V – ABOUT THE COMPANY INDUSTRY OVERVIEW

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

*Industry sources and publications are also prepared based on information as on 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” and related notes beginning on page 30 and 187 of Draft Red Herring Prospectus.*

### GLOBAL OUTLOOK

Global headline inflation is expected to fall from an estimated 6.8 percent in 2023 (annual average) to 5.8 percent in 2024 and 4.4 percent in 2025. The global forecast is unrevised for 2024 compared with October 2023 projections and revised down by 0.2 percentage point for 2025. Advanced economies are expected to see faster disinflation, with inflation falling by 2.0 percentage points in 2024 to 2.6 percent, than are emerging market and developing economies, where inflation is projected to decline by just 0.3 percentage point to 8.1 percent.

Overall, about 80 percent of the world’s economies are expected to see lower annual average headline and core inflation in 2024. Among economies with an inflation target, headline inflation is projected to be 0.6 percentage point above target for the median economy by the fourth quarter of 2024, down from an estimated gap of 1.7 percentage points at the end of 2023. In several major economies, the downward revision to the projected path of inflation, combined with a modest upgrade to economic activity, implies a softer-than-expected landing.

#### Overview of the World Economic Outlook Projections:

*(Percent change, unless noted otherwise)*

Particulars	2022E	2023E	2024P	2025P
World Output	3.5	3.1	3.1	3.2
Advanced Economies	2.6	1.6	1.5	1.8
United States	1.9	2.5	2.1	1.7
Euro Area	3.4	0.5	0.9	1.7
United Kingdom	4.3	0.5	0.6	1.6
Canada	3.8	1.1	1.4	2.3
Other Advanced Economies*	2.7	1.7	2.1	2.5
Emerging Market and Developing Economies	4.1	4.1	4.1	4.2
Emerging and Developing Asia	4.5	5.4	5.2	4.8
China	3.0	5.2	4.6	4.1
India**	7.2	6.7	6.5	6.5
Emerging and Developing Europe	1.2	2.7	2.8	2.5
Russia	-1.2	3.0	2.6	1.1
Latin America and Caribbean	4.2	2.5	1.9	2.5
Middle East and Central Asia	5.5	2.0	2.9	4.2
Saudi Arabia	8.7	-1.1	2.7	5.5
Sub-Saharan Africa	4.0	3.3	3.8	4.1

Particulars	2022E	2023E	2024P	2025P
ASEAN-5 <sup>#</sup>	5.5	4.2	4.7	4.4

E- Estimate

P- Projections

\* Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

\*\*For India, data and projections are presented on a fiscal year (FY) basis, with FY 2022-23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.7 percent in 2024 and 6.8 percent in 2025 based on calendar year.

<sup>#</sup>Indonesia, Malaysia, Philippines, Singapore, Thailand

*For advanced economies-*

The growth is projected to decline slightly from 1.6 percent in 2023 to 1.5 percent in 2024 before rising to 1.8 percent in 2025. An upward revision of 0.1 percentage point for 2024 reflects stronger-than-expected US growth, partly offset by weaker-than-expected growth in the euro area.

*For emerging market and developing economies-*

The growth is expected to remain at 4.1 percent in 2024 and to rise to 4.2 percent in 2025. An upward revision of 0.1 percentage point for 2024 since October 2023 reflects upgrades for several regions.

Source- <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>

## INDIAN OUTLOOK

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. India's gross domestic product (GDP) at current prices in the second quarter (Q2) of 2023- 24 is estimated to be ₹ 71.66 trillion (US\$ 861.2 billion), as against ₹ 65.67 trillion (US\$ 789.2 billion) in Q2 of 2022-23, showing a growth rate of 9.1%. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. In 2023- 24 (April-December), India's service exports stood at US\$ 247.92 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-December) were estimated at US\$ 565.04 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

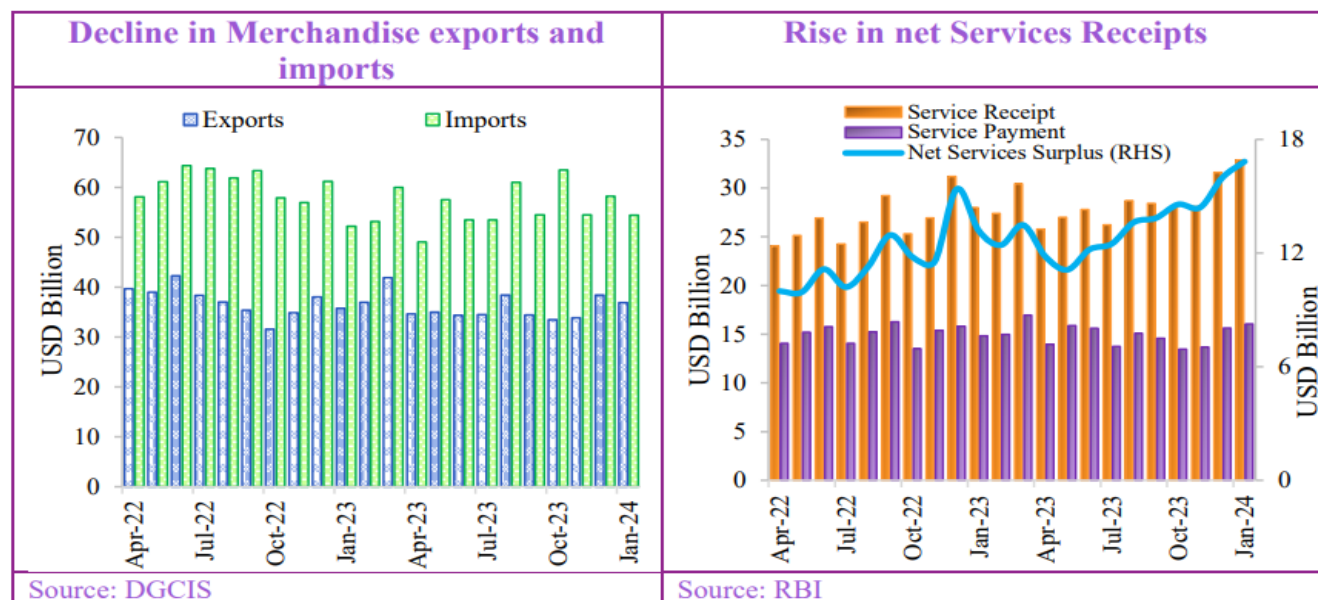
India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

**India's external sector on track for recovery:**

Moderation in India's merchandise export growth in FY24 (up to January 2024) following a slowdown in global demand accompanied by a sharper decline in India's merchandise import growth, owing to declining commodity prices, effectively resulted in improvements in the trade balance. Going forward, the RBI's Industrial Outlook Survey of the Manufacturing Sector for Q3 FY24 report optimistic expectations for both exports and imports during Q4:FY24. Another survey of Professional Forecasters on Macroeconomic Indicators– Results of the 86<sup>th</sup> Round published by the RBI project "India's merchandise exports and imports to grow by 3.6 per cent and 5.2 per cent respectively during 2024-25". As a result, the current account deficit (CAD) is expected to be at 1.4 per cent of the GDP during the year, a marginal increase from the expected 1.3 per cent during FY24.

During the first ten months of FY24, merchandise exports and imports contracted by 4.9 per cent and 6.7 per cent, respectively, leading to a narrowing of the merchandise trade deficit from USD 229.4 billion from April 22-January 23 to USD 207.2 billion in April 23-January 24. Classification across major commodity groups showcases that exports have declined broad-based across all categories, except electronic goods. The net service trade during April 23-January 24 rose by 16.5 per cent. Accordingly, India's overall trade deficit (Merchandise and Services combined) declined from USD 112 billion during the first ten months of FY23 to USD 70.4 billion in the corresponding period of FY24.

Efforts on the trade facilitation front have started giving results in terms of declining import release time in 2023 by 47 per cent to 71 hours at Inland Container Depots, by 28 per cent to 44 hours at air cargo complexes and by 27 per cent to 85 hours at seaports, since 2019. The RBI Bulletin (January 2024) states that brighter prospects for setting up of global capability centres (GCCs) and surging data centre capacity can spur service exports from India in the coming year.



As far as the status of foreign direct investment (FDI) into India is concerned, repatriations, along with global FDI trends, have been the guiding factor during FY24. As per the latest available data from the RBI, direct investments to India moderated by 26.5 per cent during April-November 2023, owing to a sharp growth in repatriations by 28.7 per cent during the period. Monthly data on FDI shows that the gross inflows improved by 12.3 per cent while direct investments (net of repatriation) rose by 134.7 per cent in November 2023, as compared to November 2022.

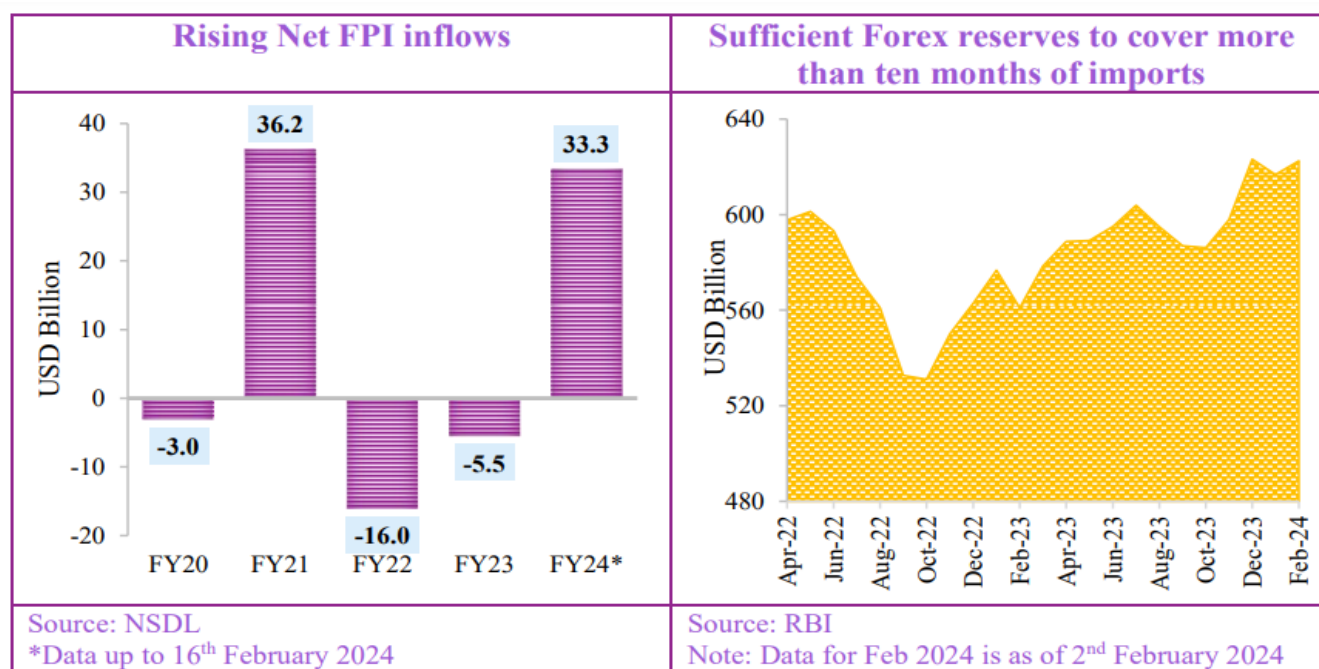
Foreign Portfolio Investors (FPI) became net buyers in Indian markets during FY24 (up to 16<sup>th</sup> February 2024), compared to their net selling in FY22 and FY23. FPI inflows during FY24 (April 23- February 24) stood at USD 33.3 billion, compared to an outflow of USD (-)5.5 billion the previous year. Rising economic growth, strong macroeconomic fundamentals, positive business sentiments and low volatility in the Indian rupee have played a pivotal role in boosting India's portfolio inflows. However, one must note here that FPI have been net sellers of



Indian equities so far in 2024.

The ₹, which stood at 82.98 per USD as of 7 February 2024, depreciated by 0.7 per cent between 1st April 2023 to 7th February 2024 as compared to a depreciation of 8.6 per cent in the corresponding period of the previous year. The exchange rate trends of various currencies against the US dollar since March 2023 reveal that the Indian rupee has emerged as one of the strongest-performing currencies compared to others during FY24 (up to February 2024). As of 2<sup>nd</sup> February 2024, India's foreign exchange reserves stood at USD 622.5 billion, sufficient to cover 11 months of imports projected for 2023-24 and 97 per cent of total external debt outstanding at the end of September 2023.

According to the World Bank, India will remain the largest recipient of remittances globally, with an estimated USD 135 billion in inward remittances in 2024, rising by 8 per cent. India's share in global inward remittances is around 15 per cent.



## Market Size:

India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 296.58 trillion (US\$ 3.56 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q2 of 2023-24 was ₹ 71.66 trillion (US\$ 861.2 billion), as against ₹ 65.67 trillion (US\$ 789.2 billion) in 2022-23, estimating a growth of 9.1%. As of 03<sup>rd</sup> October 2023, India is home to 111 unicorns with a total valuation of US\$ 349.67 Billion. Out of the total number of unicorns, 45 unicorns with a total valuation of US\$ 102.30 Billion were born in 2021 and 22 unicorns with a total valuation of \$ 29.20 Billion were born in 2022. India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3<sup>rd</sup> in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. The current account deficit stood at US\$ 8.3 billion, or 1% of GDP, in the second quarter of fiscal 2023-24 as compared to US\$ 9.2 billion or 1.1% of GDP in the preceding quarter.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing

steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

### **Recent Developments:**

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

2. As of January 19, 2024, India's foreign exchange reserves stood at US\$ 616.14 billion.
3. In 2023, India saw a total of US\$ 49.8 billion in PE-VC investments.
4. At the beginning of January 2024, the PMI Services comfortably remained in the expansionary zone, registering a value of 61.2.
5. Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to ₹ 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold ₹ 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested ₹ 261,856 crore (US\$ 31.5 billion) in India during April-December (2023-24).

### **Government Initiatives:**

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

1. On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
2. In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
3. Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of ₹ 1,500 crore (US\$ 182.35 million).
4. The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

### **Road Ahead:**

India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4% in Budgeted Estimate 2023-24 to ₹ 10 lakh crore (US\$ 120.12 billion) over ₹ 7.28 lakh crore (US\$ 87.45 billion) in Revised Estimate 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company,

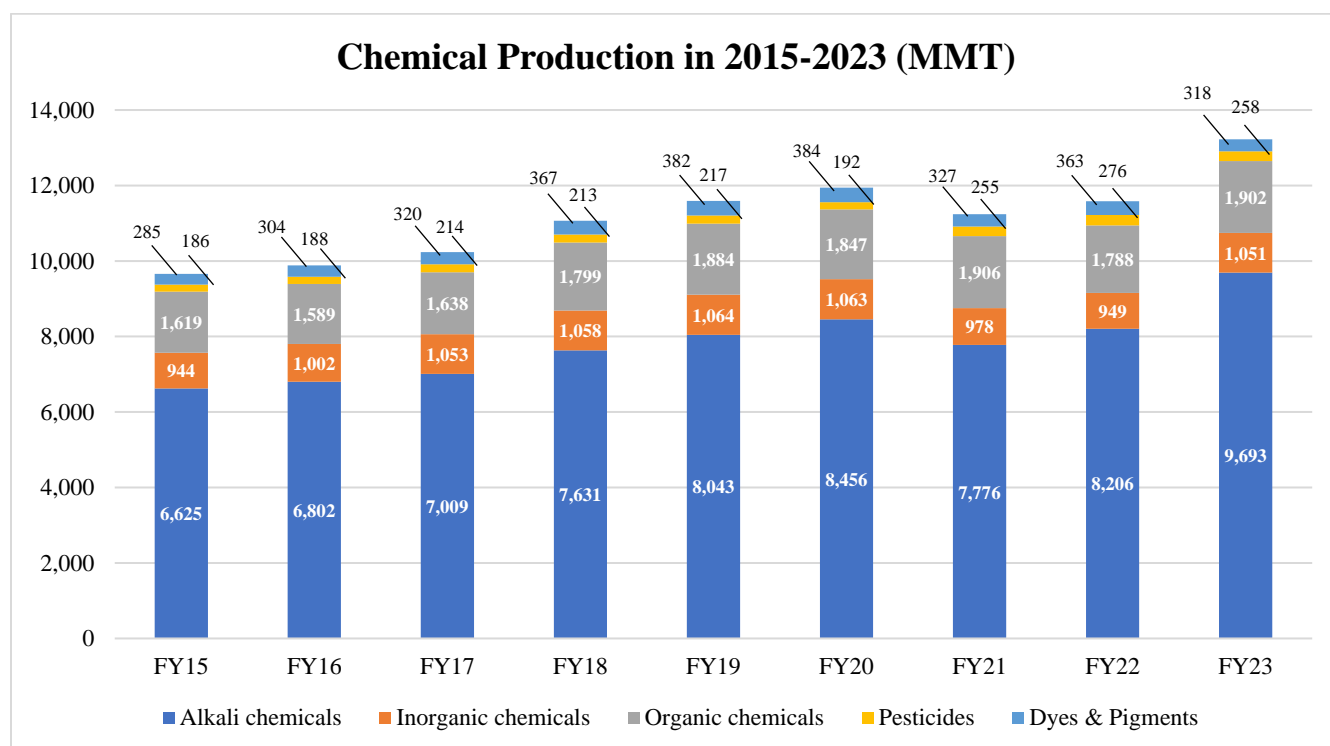
and increasing economic activity also contributed to rising capital spending levels. Further, In the interim budget for FY24, Government increased FY25 Capex outlay to record ₹ 11.11 lakh crore (US\$ 133.5 billion).

Source – [www.ibef.org/economy/indian-economy-overview](http://www.ibef.org/economy/indian-economy-overview) & [www.ibef.org/download/1709206062](http://www.ibef.org/download/1709206062) Monthly Economic Review January 2024 .pdf

## DYE AND CHEMICAL INDUSTRY IN INDIA

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-September) 2023-24 (Provisional), the export of agrochemicals was US\$ 1.70 billion, dyes were US\$ 867 million and the other dye intermediates were US\$ 62 million. The import of agrochemicals was US\$ 738 million, dyes were US\$ 120 million and the other dye intermediates were US\$ 522 million during (April-September) 2023-24 (Provisional). India holds a strong position in international trading of chemicals and ranks 9<sup>th</sup> in exports and 6<sup>th</sup> in imports at a global level (excluding pharmaceuticals).



India is among the top chemical exporting countries in the world. India exports inorganic and organic chemicals, tanning and dyes, agrochemicals, plastics, synthetic rubber, filaments, etc. In FY23, exports of major chemicals and petrochemical products stood at US\$ 23.8 billion. The surge in chemical exports has been achieved because of sustained efforts on the part of the Department of Commerce & Industry and Indian member exporters. CHEMEXCIL, India's chemical exports promotion council, has also made major efforts by using grants in aid under the market access initiative scheme, organizing B2B exhibitions in different countries, exploring new potential markets through product-specific marketing campaigns with the active involvement of Indian embassies, providing financial aid in statutory compliance in overseas product registration, etc. This export growth has been achieved despite issues like high freight rates and container shortages which has benefitted small and medium exporters from key states like Gujarat, Maharashtra, Karnataka, Tamil Nadu, and Andhra Pradesh.

In FY24 (Until August 2023), the exports of major chemicals and petrochemicals stood at US\$ 8.4 billion. In FY22,

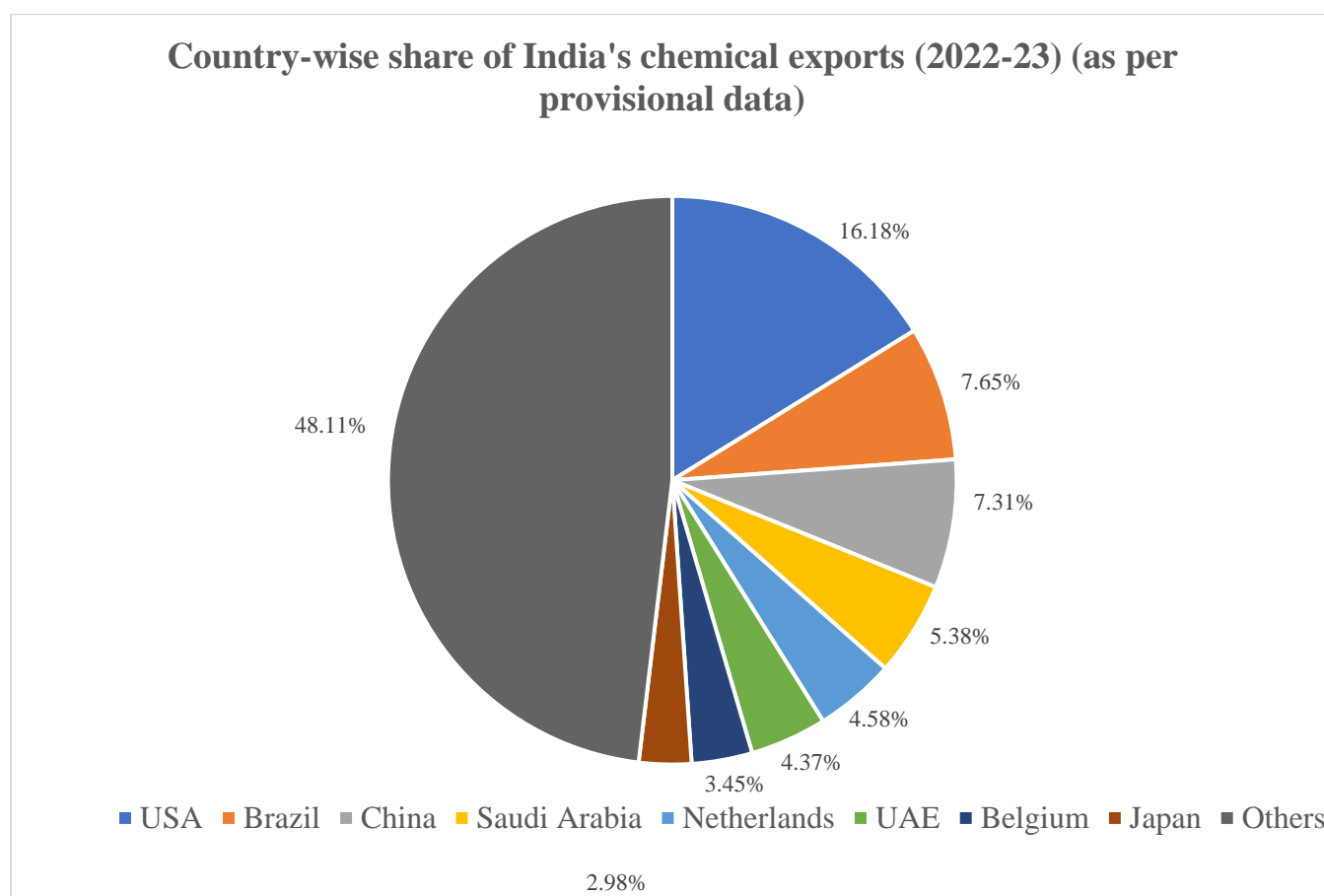
India's total chemical products exports were valued at US\$ 24.31 billion, an increase of 38.67% YoY. The export growth of chemicals has been achieved because of a surge in shipments of organic, and inorganic chemicals, agrochemicals, dyes and dye intermediates and speciality chemicals.

#### Export destinations:

India exports chemicals and chemical products to more than 175 countries with key export destinations like China, USA, Brazil, Netherlands, Saudi Arabia, Indonesia, UAE, Japan, Germany, etc. The industry also started exporting to markets like Turkey, Russia, and Northeast Asian countries namely Hong Kong, Japan, Korea RP, Taiwan, Macao, and Mongolia. During 2022-23, the USA was the largest importer of chemicals from India valued at US\$ 3.85 billion, followed by Brazil with imports of US\$ 1.82 billion. Chemical exports to China were valued at US\$ 1.74 billion in 2022-23.

China is a major importer of dye intermediates and castor oils from India. The USA remained the largest importer of dyes, inorganic chemicals, organic chemicals, agrochemicals, and essential oils from India.

As per 2022-23 (provisional data) export statistics provided by CHEMEXCIL, the USA exports were valued at US\$ 3.85 billion recording a growth of 8% over 2021-22. This was followed by Brazil (6%) and China (-31%).



Source: DGCIS, Chemical Export Promotion Council

#### India's product-wise installed capacity & production:

(Figures in 000' MT)

Product name	Installed Capacity			Production			CAGR (%)
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	
Azo Dyes	21.14	21.14	21.14	8.54	6.62	9.15	-4.59

Product name	Installed Capacity			Production			CAGR (%)
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22	
Acid Direct Dyes (Other than Azo)	40.90	40.90	40.90	22.75	20.22	23.97	3.18
Disperse Dyes	75.01	77.93	77.93	61.94	51.79	65.94	9.00
Ingrain Dyes	0.00	0.00	0.00	0.00	0.00	0.00	
Oil Soluble (Solvent Dyes)	3.60	3.60	3.60	2.41	0.44	0.67	-24.46
Reactive Dyes	195.73	196.33	197.53	156.71	132.13	161.94	1.61
Sulphur Dyes (Sulphur Black)	8.25	8.25	8.25	7.45	5.09	8.58	4.07
Vat Dyes	2.86	2.86	2.86	2.13	1.99	2.32	8.83
Solubilised Vat Dyes	0.13	0.13	0.13	0.00	0.00	0.00	-100.00
Food Colours	0.00	0.00	0.00	0.67	0.49	0.71	-2.46
Naphthols	0.90	0.90	0.90	0.00	0.00	0.00	
Inorganic Pigments	18.05	18.05	18.05	16.12	14.64	18.55	0.93

Note:

1. The source of Production and Installed Capacity of Chemicals and Petrochemicals products (which are monitoring by Statistics & Monitoring Division (S&M) is MPRs received from manufacturers under large and medium scale units only.
2. Some Pesticides and Dyes manufacturing units supply combined installed capacity.

Source: [chemicals.gov.in/sites/default/files/Reports/Annual%20Report 2022-23 1.pdf](https://chemicals.gov.in/sites/default/files/Reports/Annual%20Report%2022-23_1.pdf) & [www.ibef.org/download/1707218033\\_Chemicals-December-2023.pdf](https://www.ibef.org/download/1707218033_Chemicals-December-2023.pdf)

**The market size of Chemicals & Petrochemicals sector in India is around \$215 Bn; expected to grow to \$300 Bn by 2025:**

5. Exports of Chemicals and Chemical products (excluding pharmaceutical products and fertilizers) contributed 11.7% of total export in the year 2021-22 compared to 12.9% in the year 2020-21. It contributed 10.8% of total export in the year 2022-23 (up to Sept 2022).
6. CAGR in Export of total Chemicals and Chemical products (excluding pharmaceutical & fertilizer products) during the period 2017-18 to 2021-22 was 13.86% while CAGR of total national export was 12.62%.
7. The compounded average growth rate (CAGR) during the period 2017-18 to 2021-22 was 4.4% for manufactured product based on WPI while it was 4.4% for Chemicals and Chemical Products.
8. The quantum of production of Major Chemicals decreased to 53.54 Lakh Tonnes during 2023-24 (up to Aug 2023) as compared to 54.32 Lakh Tonnes during the corresponding period of the previous year.
9. The quantum of production of certain Petrochemicals such as Synthetic Detergent Intermediates was 34.07 Lakh Tonnes in 2023-24 (up to Aug 2023)
10. Production of Organic Chemicals has increased (Up to Aug 2023) as compared to the corresponding period of the previous year, recording an increase of 4.52%.
11. The quantum of production of Major Petrochemicals increased (up to Aug 2023) compared to corresponding period of previous year recording an increase of 6.08%.

Source: [www.investindia.gov.in/sector/chemicals](https://www.investindia.gov.in/sector/chemicals)

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 22 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 30, 187 and 219, respectively, 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. Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Statements” beginning on page 187. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “our Company”, “Arunaya” or “the Company”, refers to “Arunaya Organics Limited”.*

*This section should be read in conjunction with the “Industry Overview” on page 187 of this Draft Red Herring Prospectus. Our financial year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ending March 31 of that year.*

### Overview

Our Company started its operation in dye industry in the year 2010. We engage in trading, distribution, and manufacturing activities of different types of dyes and its intermediaries. A significant portion of our revenue from operations comes from outsourcing job work services to our group company Chinmay Chemicals Private Limited. We supply a comprehensive range of products, including reactive, acid, direct, basic, and solvent dyes, as well as dye intermediates. Our products are available in multiple forms, such as standardized spray-dried and tray-dried powders, granules, crude, reverse osmosis-treated products and salt free. Additionally, we provide specialty performance chemicals tailored for the paper industry and textile dyeing. Our diverse product portfolio is designed to cater to both domestic and international markets. Our production facility, located at C-8, GIDC Estate, Naroda, Ahmedabad- 382330, Gujarat, India, has an annual capacity of approximately 30 metric ton per annum. We are committed to maintaining high standards of quality and environmental management, as evidenced by our ISO 9001:2015 and ISO 14001:2015 certifications.

Our manufacturing facility is located at C-8, GIDC Estate, Naroda, Ahmedabad-382330, Gujarat, India. It is equipped with the essential infrastructure for raw material storage, product manufacturing, and finished goods storage, all supported by quality control measures. For more detailed information about our facility, please refer to the section titled “Our Business – Manufacturing Facility” on page 134 of this Draft Red Herring Prospectus. Strategically located in Naroda, our facility leverages proximity to Mundra Port and ICD Ahmedabad, enabling logistics for product distribution, raw material procurement, and seamless access to our customers.

Our Company was incorporated as private limited Company under the name “Arunaya Organics Private Limited”, under the provisions of the Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on July 30, 2010. The status of the Company was changed to public limited, and the name of our Company was changed to “Arunaya Organics Limited” vide Special Resolution dated December 15, 2023. The fresh certificate of Incorporation consequent to conversion was issued on January 01, 2024, by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24100GJ2010PLC061794.

We are led by our Individual promoter Vinod Agrawal, who is first generation entrepreneur. He has a significant experience in the field of dyes industry. We are also supported by an experienced and dedicated team of Key Management Personnel who have significant experience in all aspects of our business operations and who have helped grow our operations.

**Table set forth below are certain key operational and financial metrics for the periods indicated:**

(₹ in Lakhs)

Particulars*	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Revenue from operations	6,223.32	7,585.02	6,154.72
Growth (%)	(17.95)	23.24	-
Total income	6,279.45	7,636.96	6,225.66
Growth (%)	(17.78)	22.67	-
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	649.53	283.70	200.14
EBITDA Margin (%)	10.44%	3.74%	3.25%
Profit Before Tax (PBT)	560.80	242.98	188.73
PBT Margin (%)	9.01%	3.20%	3.07%
Profit after Tax (PAT)	408.42	174.64	136.12
Growth (%)	133.86%	28.29%	
PAT Margin (%)	6.56%	2.30%	2.21%
Net Worth	1,126.58	724.52	475.37
EPS	3.97	1.70	1.53
Debt/Equity Ratio	1.18	1.82	2.08

\* All figures are as per restated financial statements

The table set forth below are contribution of our top 10 customers towards our revenue from operations:

(₹ in lakhs, unless stated in %)

Customers	For fiscal year 2024		For fiscal year 2023		For fiscal year 2022	
	Amount	(%)	Amount	(%)	Amount	(%)
Customer 1	1,186.35	19.08%	1,272.53	16.84%	1,212.98	19.78%
Customer 2	1,041.22	16.75%	832.35	11.01%	988.60	16.12%
Customer 3	512.27	8.24%	705.88	9.34%	782.82	12.77%
Customer 4	389.48	6.26%	681.15	9.01%	548.57	8.95%
Customer 5	322.79	5.19%	598.79	7.92%	296.00	4.83%
Customer 6	295.76	4.76%	539.92	7.14%	266.52	4.35%
Customer 7	212.90	3.42%	395.77	5.24%	182.25	2.97%
Customer 8	211.40	3.40%	378.00	5.00%	152.00	2.48%
Customer 9	183.02	2.94%	363.70	4.81%	138.59	2.26%
Customer 10	179.34	2.88%	127.51	1.69%	122.89	2.00%
<b>Total</b>	<b>4,534.51</b>	<b>72.93%</b>	<b>5,895.60</b>	<b>78.01%</b>	<b>4,691.22</b>	<b>76.50%</b>

Table set forth below is bifurcation of our revenue as per customer-based Industries:

Industries	March 31, 2024		For the financial year ended March 31, 2023		March 31, 2022	
	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue
Paper & textile	4,088.65	65.75%	4,444.73	58.81%	3,303.12	53.87%
Chemical	2,129.40	34.25%	3,112.51	41.19%	2,828.81	46.13%
<b>Total</b>	<b>6,218.05</b>	<b>100.00</b>	<b>7,557.24</b>	<b>100.00</b>	<b>6,131.93</b>	<b>100.00</b>

Geographical Presence:

Table set forth below is bifurcation of our revenue across geographies

Country-wise bifurcation-

Country/ State	For the financial year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue
<b>India (A)</b>	5,316.73	85.43%	4,819.04	63.53%	4,118.89	66.92%
<b>International</b>						
China	533.49	8.57%	734.84	9.69%	109.79	1.78%
Brazil	170.38	2.74%	1,293.31	17.05%	988.60	16.06%
Marshall Island	111.83	1.80%	537.37	7.08%	782.82	12.72%
Turkey	81.31	1.31%	-	-	97.81	1.59%
USA	4.32	0.07%	35.65	0.47%	34.02	0.55%
Hungary	-	-	137.02	1.81%	-	-
<b>Total (B)</b>	<b>901.33</b>	<b>14.48%</b>	<b>2,738.20</b>	<b>36.10%</b>	<b>2,013.04</b>	<b>32.71%</b>
<b>Total (A+B)</b>	<b>6,218.06</b>	<b>99.92%</b>	<b>7,557.23</b>	<b>99.63%</b>	<b>6,131.93</b>	<b>99.63%</b>

\* As certified by M/s Abhishek Kumar & Associates., Chartered Accountants vide their certificate dated August 21, 2024

State	For the financial year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue
Gujarat	5,293.29	85.06%	4,777.66	62.99%	4,042.83	65.69%
Maharashtra	23.38	0.38%	41.38	0.55%	68.89	1.12%
Tamil Nadu	0.06	0.00%	-	-	-	-
Delhi	-	-	-	-	4.78	0.08%
West Bengal	-	-	-	-	2.39	0.04%
<b>Total</b>	<b>5,316.73</b>	<b>85.43%</b>	<b>4,819.04</b>	<b>63.53%</b>	<b>4,118.89</b>	<b>66.92%</b>

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The table below provides state-wise break-up of domestic revenue from operations on a restated financial statement basis for the periods indicated below:

Zone	State	For the financial year ended					
		March 31, 2024		March 31, 2023		March 31, 2022	
		(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue	(₹ in lakhs)	% of our revenue
West	Gujarat	5,293.29	85.06%	4,777.66	62.99%	4,042.83	65.69%
	Maharashtra	23.38	0.38%	41.38	0.55%	68.89	1.12%
South	Tamil Nadu	0.06	0.00%	-	-	-	-
East	West Bengal	-	-	-	-	2.39	0.04%
North	Delhi	-	-	-	-	4.78	0.08%
	<b>Total</b>	<b>5,316.73</b>	<b>85.43%</b>	<b>4,819.04</b>	<b>63.53%</b>	<b>4,118.89</b>	<b>66.92%</b>

### Product Portfolio:

The portfolio of our range of products can be classified as reactive, acid, direct, basic, solvent dyes, dye intermediates and trading.

The table given below sets out the sales turnover of our product categories for the periods indicated below:



Product	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Amount (₹ in Lakhs)	% of revenue from operations		Amount (₹ in Lakhs)	% of revenue from operations		Amount (₹ in Lakhs)	% of revenue from operations	
Direct Dye	2,262.79	36.36%		1,915.83	25.26%		1,132.06	18.39%	
Intermedia	2,129.40	34.22%		3,112.51	41.03%		2,828.81	45.96%	
te									
Acid Dye	1,198.29	19.25%		1,111.97	14.66%		821.23	13.34%	
Reactive	442.00	7.10%		174.31	2.30%		0.00	0.00%	
Dye									
Solvent	169.06	2.72%		1,098.49	14.48%		1,265.49	20.56%	
Dye									
Basic Dye	16.51	0.27%		144.12	1.90%		84.34	1.37%	
<b>Total</b>	<b>6,218.05</b>	<b>99.92</b>		<b>7,557.24</b>	<b>99.63</b>		<b>6,131.93</b>	<b>99.63</b>	

\* As certified by M/s Abhishek Kumar & Associates., Chartered Accountants vide their certificate dated August 21, 2024

## Our Products

### 1. Acid Dye-

The acid dyes are type of dyes that contain chemical groups called sulfonic or carboxylic acid, which help them bond with fibres during the dyeing process. These dyes are applied to the fibers from an acid solution. Only fibers which develop a positive charge in the presence of acid, such as wool and other protein fibers, nylon, and certain modified synthetics, are readily dyed by acid dyes.

### 2. Basic Dye-

These dyes are water-soluble colors made from organic compounds and salts. They're mostly used for colouring acrylic fibers. Acetic acid is often added to the dye bath to help the dye stick better to the fibers. The basic dyes are commonly used to colour items like paper, jute, detergent, and soap, etc.

### 3. Direct Dyes or Substantive Dye-

These dyes are normally carried out in a neutral or slightly alkaline dye bath, at or near boiling point, with the addition of either sodium chloride or sodium sulfate or sodium carbonate. Direct dyes are used on cotton, paper, and cellulosic fibers. They are also used as pH indicators and as biological stains.

### 4. Solvent Dye-

Solvent dyes, also known as solvent-soluble dyes, are specialised dyes designed to dissolve in organic solvents rather than water. They offer unique features and properties that make them highly versatile and desirable for various applications. Solvent dyes are used to dye paper specially craft papers. Purified form of solvent dyes is used in Cosmetic industry as well.

### 5. Intermediate-

Dye intermediates are chemical compounds used in the production of dyes. They serve as precursors that undergo specific chemical reactions to create the final dye product. These intermediates are crucial for determining the colour, stability, and performance of the dye. Proper handling and formulation of dye intermediates are essential

for achieving the desired dye characteristics and ensuring consistent quality in various applications. These intermediaries can be commonly used for production of various dyes. For e.g. H Acid can be used for production of Acid as well as Reactive dyes.

## 6. Reactive Dye-

Reactive dyes are a class of dyes that form a covalent bond with the fibers, typically cotton or other cellulose-based fabrics, during the dyeing process. This chemical reaction ensures that the dye becomes a permanent part of the fabric, resulting in vibrant colours with excellent wash and light fastness. Because of their strong bonding and durability, reactive dyes are widely used in textile industries to produce long-lasting and high-quality colored fabrics.

### Manufacturing Facility

We operate out of our unit located at C-8, GIDC Estate, Naroda, Ahmedabad- 382330, Gujarat, India. Our Unit is supported by infrastructure for storage of raw materials, processing and manufacturing of dyes, storage of finished goods, together with a quality control and R&D laboratory.

We source raw materials from our suppliers based on quality specifications and cost effectiveness. Easily available materials are procured from suppliers located in close proximity to our Unit to minimize inward freight costs and reduce the cost of raw materials.

Our Raw Material namely MPD -HS, Beta Naphthol, J Acid, etc. are imported from preferred suppliers based out of China. We maintain power back-ups through Diesel Generator Sets to ensure unhindered production in case of power cuts by the local electricity providers. Water is procured from the third-party water supplier.

### Procurement of raw materials

We procure raw materials from our suppliers based on purchase orders that are issued by the Purchase and Procurement team and we do not have any purchase agreements or firm commitments executed with them. We primarily source Amino C Acid, Gamma Acid, Mixed Cleaves Acid, Meta Phenylene Diamine, Alpha Naphylamine, Beta Naphthol, BDSA to manufacture our products.

The table set below are list of supplier with country wise bifurcation:

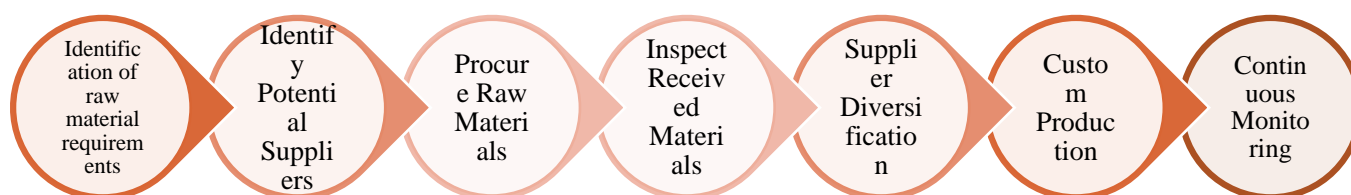
Product	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Amount (₹ in Lakhs)	% of revenue from operations		Amount (₹ in Lakhs)	% of revenue from operations		Amount (₹ in Lakhs)	% of revenue from operations	
India	5,484.31	92.91%		6,742.74	97.67%		4,510.26	91.18%	
China	296.99	5.03%		59.16	0.86%		422.64	8.54%	
Hong Kong	-	-		-	-		13.71	0.28%	
Marshall Island	121.77	2.06%		101.81	1.47%		-	-	
<b>Total</b>	<b>5,903.08</b>	<b>100.00%</b>		<b>6,903.71</b>	<b>100.00%</b>		<b>4,946.61</b>	<b>100.00%</b>	

The table set forth below are contribution of our top 10 supplier towards our revenue from operations:

(₹ in lakhs, unless stated in %)

Suppliers	For fiscal year 2024		For fiscal year 2023		For fiscal year 2022	
	Amount	(%)	Amount	(%)	Amount	(%)
Supplier 1	1,129.83	19.14%	1,092.46	15.82%	846.76	17.12%
Supplier 2	551.11	9.34%	807.51	11.70%	438.72	8.87%
Supplier 3	430.74	7.30%	754.00	10.92%	303.76	6.14%
Supplier 4	349.41	5.92%	697.27	10.10%	286.18	5.79%
Supplier 5	341.95	5.79%	330.55	4.79%	267.55	5.41%
Supplier 6	334.79	5.67%	278.47	4.03%	245.00	4.95%
Supplier 7	209.69	3.55%	237.61	3.44%	199.28	4.03%
Supplier 8	202.10	3.42%	201.90	2.92%	194.25	3.93%
Supplier 9	178.51	3.02%	128.13	1.86%	185.75	3.76%
Supplier 10	157.04	2.66%	116.48	1.69%	165.73	3.35%
<b>Total</b>	<b>3,885.17</b>	<b>65.82%</b>	<b>4,644.39</b>	<b>67.27%</b>	<b>3,132.98</b>	<b>63.34%</b>

#### **Detailing of procurement process flow chart:**



- **Identification of raw material requirements:**

We carefully analyse production plans and formulations to determine the exact types and quantities of raw materials necessary for our product manufacturing. We consider factors such as dye colour, type, and intended application to identify suitable raw materials. Following this, we assess the availability, quality, and cost-effectiveness of potential raw materials to ensure they align with our production goals and our quality standards.

- **Identify Potential Suppliers:**

We perform market research to identify potential suppliers of the identified raw materials, considering the factors like reputation, reliability, quality, and geographical proximity. Subsequently, we evaluate potential suppliers through quality assessments and reference checks to ensure they meet our requirements and standards. Following this, we establish a clear criteria for supplier selection, including aspects such as quality, pricing, delivery reliability, and sustainability practices.

- **Procure Raw Materials:**

After identifying the suppliers, we place the purchase orders with the suppliers and ensure clear communication of specifications, quantities, delivery schedules, and any other relevant terms. We maintain regular contact with suppliers to track order progress and address any potential issues that may arise.

- **Inspect Received Materials:**

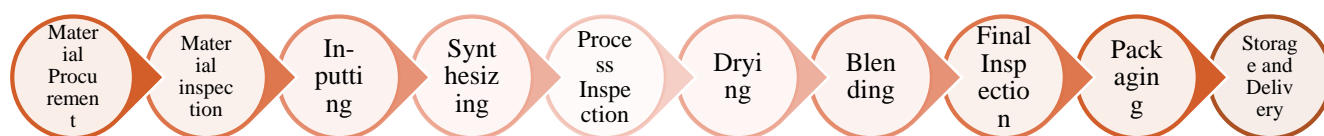
Upon receipt, the raw materials undergo thorough inspection to ensure they meet our quality standards and specifications. We examine each batch of received materials, checking for factors such as purity, consistency, and adherence to specifications. Any materials found to be defective or below our standards are promptly rejected, and

appropriate action is taken, which may include returning the materials to the supplier or seeking alternative sources. This inspection process helps us maintain the integrity of our manufacturing processes and ensures the consistent quality of our products.

- Continuous Monitoring:

In addition to the initial supplier evaluation, we continuously monitor market trends and assess supplier performance on an ongoing basis. This proactive approach allows us to stay informed about changes in the market landscape, including fluctuations in raw material prices, availability, and emerging trends. By closely tracking supplier performance, we can identify any issues or opportunities for improvement and take appropriate action to optimize our supply chain. This continuous monitoring ensures that we maintain a competitive edge, minimize risks, and uphold the highest standards of quality and reliability in our procurement processes.

**Manufacturing Process flow chart:**



**Detailing of process flow chart:**

- Material Procurement:

We aim to maintain an optimal level of inventory, ensuring it remains both low and sufficient to meet our production demands. To achieve this, we carefully plan and forecast our production needs, allowing us to place orders for raw materials accordingly. Upon arrival from these raw materials, they are stored in our godown, having adequate storage capacity, ready to support our operations.

- Material Inspection:

All materials undergo thorough purity testing. Only upon receiving approval for their purity are these materials utilized in subsequent processes. Additionally, when necessary, we conduct small-scale trial batches in our laboratory using the raw materials before proceeding with bulk production.

- In-putting:

After undergoing testing, the suitable quantity of raw materials is mixed, utilized and charged at the necessary pressure and temperature according to the product specifications. By closely following design parameters, we ensure optimal yields and consistently uphold the quality standards of our products.

- Synthesizing:

Synthesis involves the precise blending of all dye components, adhering strictly to technical and chemical criteria. To maintain optimal reaction conditions at each stage of synthesis, the quality control team oversees the entire process according to the procedure manual.

- Process Inspection:

To uphold the quality of our primary product post synthesizing, our in-house quality control department conducts rigorous inspections of key components. They assess these items to ensure they meet the standards before proceeding with further processing.

- **Drying:**

In the spray drying process, heat is applied to evaporate moisture from the dye, transforming it into a powdered form. This powdered dye is then separated and gathered in a dedicated tank. Spray drying machines, typically sizable in scale, facilitate this process by maintaining consistent heating and continuously separating the dye throughout the operation.

- **Blending:**

The technicians within our quality control team carefully categorize and select uniform materials, ensuring their quality and consistency. These materials are then utilized in the manufacturing process to achieve optimal matching and combinations, resulting in high-quality products.

- **Final Inspection:**

The operational team gathers samples from each lot of manufactured items for comparison with the standard samples using the spectrophotometer and dyeing test. If the colour, penetration, fastness, and other parameters fall within the acceptable margins of error, the manufactured items are approved for packaging as final products.

- **Packaging:**

After the product meets all necessary quality criteria, it is packaged into containers such as bags, cartons, and boxes according to customer specifications. Packaging is carefully carried out to prioritize product safety while preventing any leakage into the surrounding environment.

- **Storage & Delivery:**

Following proper packaging according to the customer's specifications, the products are either loaded directly onto trucks for shipment or stored in the on-site warehouse. Careful attention is given to ensure product integrity and prevent any defects. Export orders are processed through Mundra Port, ICD Ahmedabad, conveniently located in close proximity to our manufacturing facility.

## **Capacity and Capacity utilization**

The following table sets forth certain information relating to our capacity utilization of our manufacturing facility calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Products	Units	2023-24			2022-23			2021-22		
		Capacity (MT)	Production (MT)	Utilisation (MT)	Capacity	Production (MT)	Utilisation (MT)	Capacity	Production (MT)	Utilisation (MT)
Dyes and intermediaries	Capacity	30	30	30	30	30	30	30	30	30
	Production	30	29.90	99.80%	30	29.10	97%	30	28	93%

*As certified by M/s Sanjaysingh Bist, Independent Chartered Engineer vide his certificate dated August 20, 2024.*

The information relating to the installed production capacity of our manufacturing facility, as included above and elsewhere in this Draft Red Herring Prospectus are based on various assumptions and estimates that have been taken into account by the Chartered Engineer for calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the dye industry after examining the calculations and explanations provided by us.

The observations taken into account include the following:

1. All the equipment and machines are installed and are operational
2. Following the planned preventive maintenance of the plant and machinery.
3. Production per day is considered based on 2 shifts of 12 hours each on a 24 hours basis working of plant per day.
4. The plant is down for maintenance of 4 days during the years.
5. No. of days considered in the FY is 310 days.
6. Plant is operation at optimum capacity

Actual production levels and utilization rates may vary from the capacity information of our manufacturing facility included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information. See *“Risk Factor – Information relating to the installed production capacity and capacity utilization of our manufacturing unit included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary on page 46.*

### **Proposed expansion plan**

To strengthen our capabilities across our focus industries, we plan to invest in our proposed manufacturing facility. This investment will include expenditures on various business product lines like Assembly, Solvent/Cationic Dyes and Intermediates (J Acid Urea/Amino C Acid/Mixed cleve acid/Gamma acid) for equipment, such as (i) MS Vessel; (ii) Membrane Filter Press; (iii) Glass Line (Under EPCG); (iv) Nitration - Enamel Reactor (Under EPCG); (v) Sulfonation - Glass Line Reactor (Under EPCG); and other machinery, please refer *“Objects of the Offer”* on page 91. Our Company has identified the necessary machinery and obtained quotations from the respective vendors, but we have not yet placed any orders or entered into definitive agreements for the procurement of this equipment. Please note that our expansion plans are indicative and subject to potential challenges, including cost overruns or delays.

### **Our Business Strengths**

- *Experienced and dedicated promoter and professional management team with extensive domain knowledge*

We are led by our Promoter, Chairman and Managing Director, Vinod Agarwal, who has more than one decade's experience in dye industry. Our Promoter is actively involved in the critical aspects of our business including operational systems, quality assurance, marketing and finance. Our Promoter has been awarded with the Business Icon's Award for his significant contributions to both business and society, presented by Divya Bhaskar. He holds a life membership with the Association of Chemical Technologies (India) based in Ahmedabad.

We have employed suitable technical and support staff to manage key areas of activities allied to our operations. We believe the stability of our team and the industry experience will enable us to continue to take advantage of future market opportunities and expand into new markets. For further details of the educational qualifications and experience of our management team and our Key Managerial Personnel please refer the chapter titled *“Our Management”* beginning on page 165 of this Draft Red Herring Prospectus.

- *Wide product portfolio*

We have varied products for dye industry in the market and multiple product categories such as Acid Dye, Basic Dye, Direct Dyes or Substantive Dye, Solvent Dye, Intermediate, and Reactive Dye. We offer over six types of dyes, each with various colour options to meet customer preferences. Additionally, we provide customized solutions tailored to specific needs, enabling us to serve a broad range of customers and applications effectively. Our constant efforts are focused towards continuously identifying market demands and introducing relevant products with high quality.

➤ ***R&D capability***

Research, Development and Quality Control are pillars of the continued growth over the years. We give equal importance to both these areas as one i.e. R&D leads to new product development required for growth of our business and profitability, whereas the other i.e. QC to achieve customer quality standards for the continued supply of products required by the end user industries. Once we have achieved development of a product in our RD Laboratory, achieving commercial scale with the available equipment is another challenge. Product development on a commercial scale with the QC meeting customer and prescribed standards requires coordination between these functions to ensure that the new products developed are able to scale up, meeting customer quality requirements.

➤ ***Quality Assurance***

At our company, we are committed to upholding the highest standards of quality across our products, processes, and materials. We hold ISO 9001:2015 certification for our Quality Management System, which covers the manufacture, supply, and export of dyestuffs and intermediaries. Additionally, we are accredited with ISO 14001:2015 for our Environmental Management System in the same areas.

Our adherence to the quality standards is key to achieving consistent results. Timely delivery of quality products is a core objective, and we allocate significant resources to quality assurance to ensure that our standards are consistently met. Before accepting any raw materials, we perform thorough quality control checks, as these directly impact the quality of our final products. The ability to consistently deliver high-quality products to customers is critical to our business.

## **Business Strategies**

➤ ***Reduction of operation cost through backward integration and manufacturing of dyes for forward integration:***

Our Company currently sources Amino C Acid, J ACID, Mixed Cleves Acid, J Acid Urea from the third-party suppliers or imports it, which is a raw material used for manufacturing dye. In our effort to enhance operational efficiency and cost-effectiveness, we plan to implement backward integration by producing Amino C Acid, J ACID, Mixed Cleves Acid, J Acid Urea- which is essential the raw material for Paper dyes at our new manufacturing facility.

This strategic move aims to reduce our dependency on external suppliers and imports. By producing Amino C Acid, J ACID, Mixed Cleves Acid, J Acid Urea in-house, we expect to lower our material costs. Consequently, this reduction in expenses will lead to a decrease in our overall production costs. This enhanced cost efficiency is expected to provide us with a competitive advantage in the market, allowing us to offer more competitive pricing and improve our profit margins.

➤ ***New manufacturing unit is targeting for Organic dyes, Food dyes and cosmetic dyes.***

We plan to establish a new manufacturing facility at D-3/26/3, Dahej III, Industrial Estate, Dahej-392 130, Vagra, Bharuch, Gujarat (the “**Proposed Facility**”). This strategic initiative aligns with our goal to enhance production efficiency and capitalize on economies of scale. Currently, a significant portion of our operational revenue is

derived from job work, which accounted for 80.00%, 83.02%, and 54.80% of our total revenue for the financial years 2024, 2023, and 2022, respectively. We currently source these manufactured products through job work from our group company, Chinmay Chemicals Private Limited. By transitioning to in-house manufacturing, we expect to achieve cost savings and expand our production capacity, thereby strengthening the company's long-term financial performance.

Dahej is an industrial hub located in Gujarat, India, and is part of the Petroleum, Chemicals, and Petrochemicals Investment Region (PCPIR). It has been designated as a special zone where new chemical factories and industries are permitted to operate, particularly in the chemical and petrochemical sectors. Due to its industrial nature, Dahej has specific regulations allowing for controlled pollution levels, with pollution permissions or environmental clearances typically granted only in this region. The goal is to centralize industrial activities while minimizing environmental impact on other areas, making Dahej a key part of Gujarat's industrial expansion.

The Proposed Facility is expected to have an installed capacity of 6,000 MTPA and will primarily focus on manufacturing Synthetic Organic Dyes which will majorly serve to Food and Cosmetic industry, as well as the continued production of existing products. This expansion will enable us to meet the needs of both current and future customers more effectively. With our existing facility at C-8, GIDC Phase-II, Naroda, Ahmedabad-382330, Gujarat, India, already operating at optimal capacity, this capital investment is essential to address the increasing demand for our dye products. We plan to allocate ₹ 1,178.95 Lakhs from the net proceeds towards the establishment of this facility.

➤ ***Expand our customer base in India and globally***

We sell our products both in the domestic as well as international markets. We will continue to evaluate additional markets and relationships which we believe will be beneficial to increase our presence in domestic markets as well as export markets. We intend to continue to grow our sales in our target international markets by registering more of our products and increasing our customer penetration, through either developing our own on-the-ground sales force or establishing partnerships, in these markets.

➤ ***Improving operational efficiency***

Offering quality products at attractive prices is a key aspect of maintaining and expanding our relationships with our customers. 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 will continue to seek to manage our supply chain costs through optimal inventory management, economic orders and other measures. Economies of scale will also enable us to continuously improve our operational efficiencies.

## Properties

Sr. No.	Details of the properties	Description of properties	Area	Purpose of usage
1.	C-8, GIDC Estate, Naroda, Ahmedabad-382330, Gujarat, India	Agreement dated July 26, 2024, between Gujarat Industrial Development Corporation (Licensor) & Arunaya Organics Limited (Licensee) for a term of 99 years from January 28, 1971.	230.86 Sq. ft.	Registered Office
2.	102, First Floor, Shoppers Plaza 'V', Opp. Municipal Market, C.G. Road, Nayrangpura,	Agreement dated June 22, 2024, between Shivali Agrawal (Licensor) & Arunaya Organics Limited (Licensee) for a term of 2 years 11 months from June 22, 2024.	800 sq. yard	Corporate Office



Sr. No.	Details of the properties	Description of properties	Area	Purpose of usage
	Ahmedabad- 380006, Gujarat, India.			
3.	Plot No. 148/3, Shed No. K-1-5, Naroda G.I.D.C, Ahmedabad, India	Agreement dated April 30, 2024, between Patel Jayesh Kanubhai (Licensor) & Arunaya Organics Limited (Licensee) for a term of one year from February 01, 2024.	Approx 576 Sq. Mtrs.	Godown
4.	D-3/26/3, Dahej-3 Industrial Area/ Estate, Survey Number 4/P, 10/P, Sambheti Village, Bharuch, Gujarat, India	Pursuant to agreement executed in July, 2021, GIDC has authorized the use of the licensed land after payment of total consideration we will be granted a license for a term of 99 years, starting from the earlier of the date of possession or the date of execution of the agreement. As on date we have received possession receipt.	Approx. 10,082 Sq. Mtrs.	Vacant land acquired for Proposed Expansion

## Utilities

- Electricity**

Our Company meets its power requirements in our office from the local electricity supplier and the same is sufficient for our day-to-day functioning.

- Water**

Our offices have adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.

## Logistics

We use various modes of transportation for sourcing our raw materials as well as finished goods. We outsource the delivery of our products to third party logistics providers and rely on freight forwarders and C&F agents to deliver our product to our customers. We do not have long term contractual relationships with the logistics providers for Freight Forwarders.

## Inventory Management

The quantity of our finished product is determined based on combination of confirmed and expected orders based on past trends. We manage our inventory based on various parameters for maintaining minimum and maximum stock levels of raw materials and finished products. Further, stock is taken physically at defined intervals and our existing stock is reviewed at regular intervals for quality purposes. Our finished products are stored at our godown.

## Health, Safety, and Environment

We are cognizant of various mandatory environmental laws and regulations in India. Our activities are subject to pollution control laws and various other regulations which govern among the various other matters such as handling of raw materials and final finished products along with procurement and storage of the same. For further information, please refer to the chapter titled “*Key Regulations and Policies*” beginning on page 144 of this DRHP.

We ensure to continue to comply with applicable health and safety regulations and other applicable requirements in our operations.

Our activities in the Gujarat state are subject to wide range of government rules and regulations regarding health, safety, and environment protection. We are committed to protecting the health and safety of employees and workers working in our factory, people who come in contact with our operations and the health and sustainability of the environment in which we operate. We have followed all the health and safety norms issued by government during COVID 19 period.

### **Competition**

Dye industry being a large and concentrated industry, we face competition from various domestic players and international players. Our industry is marked by intense competition, with lots of small and medium-sized enterprises contributing to its unorganized and fragmented nature. We engage in competition across organized and unorganized sectors, focusing on factors such as product pricing, quality, and diversity to maintain our competitive edge. Notably, many regional rivals are from the unorganized chemical industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

### **Quality system**

We have established a quality management system through a range of internal and external processes and standards. This system is designed to ensure reliable quality across all our customers. We adhere to specific quality guidelines and best practices during implementation. Our approach includes regular monitoring and evaluation to maintain these standards. By following these processes, we aim to meet customer expectations and achieve consistent outcomes.

### **Marketing & promotion**

The efficacy of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with the suppliers and customers, cultivated over time. One of the promoter through his good rapport with these suppliers and customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. Additionally, we focus on working closely with both existing and potential clients to customize our products to their specific needs through targeted research and development.

### **Insurance**

We maintain a range of insurance policies to cover our assets, risks, and liabilities. Substantially all of our insurance policies related to our movable property, provide appropriate coverage in relation to fire, explosions, lightning, earthquake, volcanic eruption, storm, cyclone, typhoon, hurricane, tornado, tsunami, flood and inundation. We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.

Following are the details of Insurance policies of the company-

Sr. no.	Name of Insurance Company	Type of Insurance Policy	Property insured	Policy No.	Validity Period	Sum Insured (₹ In Lakhs)
1.	Reliance General Insurance Company Limited	Reliance Bharat Laghu Udyam Suraksha Policy-Retail Policy	C – 8 Phase – II GIDC, Naroda, Ahmedabad-382330 (Registered Office)	14156242123 0010867	February 29, 2024 to February 28, 2025	1,605.00
2.	Reliance General Insurance Company Limited	Burglary and Housebreaking Insurance Policy	Stock in process, Plant and Machinery and Raw Material	14153242911 0000006	February 29, 2024 to February 28, 2025	1,565.00

### Financial Indebtedness

For details of Indebtedness, please refer the Chapter on “*Financial Indebtedness*” on Page 227 of this Draft Red Herring Prospectus.

### Employees

As of July 2024, we had an employee base of 36 employees. The following table sets forth a breakdown of our employees by function.

Department	No. of employees
Operation Department	21
Administration Department	8
Quality Control	2
Finance Department	1
Human Resource Department	1
Management, Marketing and Production	1
Research and Development	1
Legal & Compliance Department	1
<b>Total</b>	<b>36</b>

### Intellectual Property

For details related to intellectual property, please refer to the section titled “*Government and other key approvals*” on page 236 of this Draft Red Herring Prospectus.

## KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from various legislations including rules and regulations promulgated by regulatory bodies and the bye laws of the respective local authorities and publications available in the public domain. The description below may not be exhaustive and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. 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 Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, see *“Government and Other Key Approvals”* on page 236. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.

Following is an overview of some of the important laws and regulations, which are relevant to our business.

### 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.

#### **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.

#### **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.

### **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.

### **The New Industrial Policy, 2015**

The policy aims to make Gujarat as an attractive —Total Business Destinationl 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 Rs. 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. Financial assistance and training for ERPS shall be provided by the government.

There are many incentive schemes provided for MSME sector like market development assistance, shed and plot development, assistance to Industrial park, Logistics Park.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. As per the revised classification via Notification no. CG-DL-E-01062020-219680 applicable w.e.f. from July 1, 2020, an enterprise would be classified as: “micro enterprise”, where the investment in plant and machinery or equipment does not exceed one Crore rupees and Turnover does not exceed five Crore rupees; “Small enterprise”, where the investment in plant and machinery or equipment does not exceed ten Crore rupees and Annual Turnover does not exceed fifty Crore rupees; or a “medium enterprise”, where the investment in plant and machinery or equipment does not exceed fifty Crore rupees and the Annual Turnover does not exceed Two hundred and Fifty Crore rupees.

### **Duty Drawback Scheme**

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (“the Drawback Rules”) have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme. The all industry rate of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any all industry rate or duty drawback rate, or where the all industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an all industry rate, the brand rate facility to particular exporters is available only if it is established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

## **INDUSTRIAL POLICY OF RELEVANT STATE**

### **Gujarat Industrial Policy, 2020**

In August 2020, the State government of Gujarat announced the New Gujarat Industrial Policy (GIP) 2020. The policy is designed to strengthen Gujarat's manufacturing ecosystem as well as provide a thrust to the 'up and coming' sectors of India's dynamic business ecosystem. The policy objectives include employment generation, new generation manufacturing, the advancement of thrust sectors, technology adoption, support to Micro, Small and Medium Enterprises (MSMEs), and balanced development of industry and infrastructure. The previous policy, which was widely regarded as a success, was applicable from 2015 to 2019, was extended until the launch of GIP 2020. Over the last five years, Gujarat ranks first in the 'number of Industrial Entrepreneurs Memorandum' (Intent to Invest), contributing to ~51% of the national list. The new policy is expected to provide businesses a quantum of ~INR 40,000 crores (USD 5.3 billion) as incentives over the next five years. The policy also provides 'relocation

incentives' to attract a host of multinationals looking to shift their manufacturing bases from China. As summarized by the Chief Minister of Gujarat, the policy lays down a foundation to develop Gujarat as a key pillar in 'Strengthening the Aatma Nirbhar (self-reliant) spirit of India'.

### **Shops and Establishments Laws**

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 is applicable to the Company.

### **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 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.

## **EMPLOYMENT AND LABOUR LAWS**

### **Payment of Gratuity Act, 1972**

The Payment of Gratuity Act, 1972 shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

### **Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 ("MWA") came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

### **Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

### **Equal Remuneration Act, 1979**

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

### **Child Labour Prohibition and Regulation Act, 1986**

The Child Labour Prohibition and Regulation Act 1986 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. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

### **Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957**

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

### **Apprentices Act, 1961**

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

### **The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation



to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Occupational Safety, Health and Working Conditions Code, 2020**

Occupational Safety, Health and Working Conditions Code, 2020 is an Act to consolidate and amend the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment. The code amalgamates, simplify and rationalise the relevant provisions of the following thirteen Central labour enactments relating to occupation, safety, health and working conditions of workers, namely,

1. The Factories Act, 1948;
2. The Plantations Labour Act, 1951;
3. The Mines Act, 1952;
4. The Working Journalists and other Newspaper Employees (Conditions of Service and Miscellaneous Provisions) Act, 1955;
5. The Working Journalists (Fixation of Rates of Wages) Act, 1958;
6. The Motor Transport Workers Act, 1961;
7. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966;
8. The Contract Labour (Regulation and Abolition) Act, 1970;
9. The Sales Promotion Employees (Condition of Service) Act, 1976;
10. The Inter-State Migrant workmen (Regulation of Employment and Conditions of Service) Act, 1979;
11. The Cine Workers and Cinema Theatre Workers Act, 1981;
12. The Dock Workers (Safety, Health and Welfare) Act, 1986; and
13. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette. The Code extends to the whole of India and covers all employees and workers whether in the organised, unorganised or any other sector.

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

Code on Social Security, 2020 is an Act to amend and consolidate the laws relating to social security with the goal to extend social security to all employees and workers either in the organised or unorganised or any other sectors. Code On Social Security, 2020, amalgamates, simplify and rationalise the relevant provisions of the following nine central labour enactments relating to social security, namely,

- (i) The Employees' Compensation Act, 1923;
- (ii) The Employees' State Insurance Act, 1948;
- (iii) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- (iv) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- (v) The Maternity Benefit Act, 1961;
- (vi) The Payment of Gratuity Act, 1972;
- (vii) The Cine Workers Welfare Fund Act, 1981;
- (viii) The Building and Other Construction Workers Welfare Cess Act, 1996; and
- (ix) The unorganised Workers' Social Security Act, 2008.

The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette.

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

Industrial Relations Code, 2020 is an Act to consolidate and amend the laws relating to Trade Unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes. Industrial Relation Code 2020 amalgamate, simplify and rationalise the relevant provisions of

- (a) the Trade Unions Act, 1926;
- (b) the Industrial Employment (Standing Orders) Act, 1946; and
- (c) the Industrial Disputes Act, 1947.

The Code received the assent of the President of India on September 28, 2020 and is published in the official gazette.

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

The Code received the assent of the President of India on August 08, 2019. Few sections of the code have been notified whereas the remaining provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely

- (i) the Payment of Wages Act, 1936,
- (ii) the Minimum Wages Act, 1948,
- (iii) the Payment of Bonus Act, 1965, and
- (iv) the Equal Remuneration Act, 1976.

The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

## **TAX RELATED LEGISLATIONS**

### **Income-tax Act, 1961**

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

### **Goods and Service Tax (GST)**

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 Centre 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 centre 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. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of ₹ 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be ₹ 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year up to ₹ 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition, a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. 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 number known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple location in a state, a separate application will be made for registration of each and every location. The registered assessee are then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

### **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place

outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

### **State laws governing Entry Tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It was levied at such rate as may be specified by the State Government and different rates may be specified for different goods

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

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

## **ENVIRONMENTAL LEGISLATIONS**

### **The Environment Protection Act, 1986**

The purpose of the Environment Protection Act ("Environment Protection Act") is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

### **The Noise Pollution (Regulation & Control) Rules 2000 ("Noise Regulation Rules")**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

### **Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")**

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of boards for the prevention and control of water pollution, for conferring on and assigning to such boards powers and functions relating thereto and for matters connected therewith. The Water Act defines —pollution as such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants

or of aquatic organisms. The Water Act envisages establishing a Central Pollution Control Board as well as State Pollution Control Board for prevention and control of water pollution.

### **Water (Prevention and Control of Pollution) Cess Act, 1977 (“Water Cess Act”)**

The Water Cess Act, as amended provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this Act, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the Environment Act. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for non-compliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ₹ 1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

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

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

### **Environment Impact Assessment Notifications**

The Environment Impact Assessment Notification S.O.60(E), issued on January 27, 1994 (—1994 Notification) under the provisions of the Environment Act, as amended, prescribes that for the construction of certain power projects specified in the 1994 Notification, in the case of new projects, if the investment is more than ₹ 1,000 million and in the case of expansion or modernization projects, if the investment is more than ₹ 500 million the prior environmental clearance of the Ministry of Environment and Forest (—MoEF) is required. The environmental clearance must be obtained from the MoEF according to the procedure specified in the 1994 Notification. No construction work, preliminary or other, relating to the setting up of a project can be undertaken until such clearance is obtained. The application to the MoEF is required to be accompanied by a project report which should include, inter alia, an Environmental Impact Assessment Report and an Environment Management Plan. The Impact Assessment Authority evaluates the report and plan submitted. Such assessment is required to be completed within a period of 90 days from receipt of the requisite documents from the project developer / manager. Thereafter, a public hearing has to be completed and a decision conveyed within thirty days. The clearance granted is valid for a period of five years from the commencement of the construction or operation of the project. The project developer / manager concerned are required to submit a half yearly report to the Impact Assessment Authority to enable it to effectively monitor the implementation of the recommendations and conditions subject to which the environmental

clearance has been given. If no comments from the Impact Assessment Authority are received within the time limits specified above, the project will be deemed to have been approved by the project developer / manager. On September 14, 2006, the Environmental Impact Assessment Notification S.O. 1533 (—2006 Notification) superseded the 1994 Notification. Under the 2006 Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft Environment Impact Assessment Report and the Environment Management Plan. The final Environment Impact Assessment Report has to be submitted to the concerned regulatory authority for appraisal.

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

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### **E-Waste Management Rules, 2016**

The Government of India (GoI) introduced the E-Waste Management Rules in 2016. The rules apply to businesses that are generating electronic waste items. The rules specify that businesses should make arrangements for the safe disposal of scrapped electronic items. The rules are administered by the Ministry of Environment, Forest and Climate Change. As the decomposition of electronic items will take a more prolonged and different methodology, the companies are asked to separate the wastes at source. To address the issue, the Government of India has introduced the Extended Producer Responsibility Plan as part of the E-Waste Management Rules. Under the plan, companies should undertake the responsibility to recycle a minimum percentage of the electronic products manufactured. The E-Waste Management Rules mention the ceiling limit for hazardous chemicals that are used in manufacturing electronic products. The rules also specify the procedure to obtain authorisation from the Pollution Control Board for handling e-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
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance & Inter-generational Equity
- Enhancement of resources for Environmental Conservation

### **Hazardous and other Wastes (Management and Trans boundary Movement) Rules, 2016 (“HW Rules”)**

The HW Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes through a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and disposal of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. The new HW Rules as compared to the Rules of 2008 have enlarged the scope of regulated wastes by including 'other wastes' in its ambit. Other wastes include: Waste tyre, paper waste, metal scrap, used electronic items, etc. and are recognized as a resource for recycling and reuse. These resources supplement the industrial processes and reduce the load on the virgin resource of the country.

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

The Rules are formulated under the Environment (Protection) Act, 1986. The Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipe line, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the Rules at least 3 months before commencing that activity or before such shorter time as the concerned authority may agree.

## **GENERAL CORPORATE COMPLIANCE**

### **The Companies Act 1956 and the Companies Act, 2013**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013. The Companies Act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 (and the amendments thereof) is applicable to the extent notified. The 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 relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act. Further, 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 the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

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

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

### **The Arbitration and Conciliation Act, 1996**

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

## **ANTI-TRUST LAWS**

### **Competition Act, 2002**

The Competition Act, 2002 (the Competition Act) 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 04, 2011 and came into effect on June 01, 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 01, 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.

## **INTELLECTUAL PROPERTY LEGISLATIONS**

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- Design Act, 2000

### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **The 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, 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.

### **Trade Marks Act, 1999**

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

### **Designs Act, 2000**

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

## **FOREIGN REGULATIONS**

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

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (“DGFT”) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. DGFT is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. FEMA aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and

maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities a declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

### **FEMA Regulations**

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, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. 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 for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, Government of India

### **The Foreign Direct Investment**

The Government of India has from time to time made policy pronouncements on Foreign Direct Investments (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade (“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.

### **GENERAL LAWS**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Electricity Act 2003, Employee State Insurance Act 1948, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Registration Act 1908, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

## HISTORY AND CERTAIN CORPORATE MATTERS

### BRIEF HISTORY OF OUR COMPANY

Our Company was incorporated as private limited Company under the name “Arunaya Organics Private Limited”, under the provisions of the Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on July 30, 2010. The status of the Company was changed to public limited, and the name of our Company was changed to “Arunaya Organics Limited” vide Special Resolution dated December 15, 2023. The fresh certificate of Incorporation consequent to conversion was issued on January 01, 2024, by the Registrar of Companies, Ahmedabad.

### Changes in the Registered Office of our company since Incorporation

We set out below the changes in the registered office of our Company since the date of incorporation:

Date of Change	Registered Office Address	Reason
October 08, 2010	Change in registered office from C1/323, B/H. Lions School, GIDC, Phase- 1, Naroda, Ahmedabad- 382330, Gujarat, India to I-802, Shilalekh, Opp Police Stadium, Shahibaug, Ahmedabad- 380004, Gujarat, India.	For administrative convenience
June 27, 2012	Change in registered office from I-802, Shilalekh, Opp Police Stadium, Shahibaug, Ahmedabad- 380004, Gujarat, India to C-8, GIDC Phase-II, Naroda, Ahmedabad- 382330, Gujarat, India.	For administrative convenience

### Major Events in the History of our Company

Year	Key Events / Milestone / Achievements
2010	Incorporation of our Company in the name style of ‘Arunaya Organics Private Limited’.
2012	Setting up of Unit-I, situated at C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India.
2015	Company was awarded ‘One Star Export House’ by Government of India.
2019	Receipt of ISO 14001: 2015 certification in respect of Manufacture, Supply and Export of Dyestuffs and Intermediaries.
2020	Receipt of ISO 9001: 2015 certification in respect of Manufacture, Supply and Export of Dyestuffs and Intermediaries.
2021	The topline of our company crossed ₹ 50 Crore.
2024	Conversion of Company from Private Limited to Public Limited Company.

### Main objects of Our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on the business as manufacturers, processors, dealers, importers, exporters, traders and distributors of all kinds and otherwise deal in organic chemicals, chemical equipment, organics and in organic chemicals, chemical compounds and chemical products of any nature and kinds whatsoever and as wholesale and retail chemical and heavy chemicals, acids, alkalis, petrochemicals, chemical compounds and elements of all kinds (solid, liquid, gaseous), tannins, tannin extracts, essences, solvents, plasticisers, organic or mineral intermediates and laboratory reagents.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company

## Amendments in Memorandum of Association:

Since Incorporation, the following changes have been made to the Memorandum of Association of our Company:

Sr. No.	Particulars of Amendment	Date of Shareholders' approval
2.	Increase in authorized share capital of our Company from ₹ 10,00,000 divided into 1,00,000 Equity shares of ₹ 10 each to ₹ 25,00,000 divided into 2,50,000 Equity shares of ₹ 10 each	March 20, 2013
3.	Increase in authorized share capital of our Company from ₹ 25,00,000 divided into 2,50,000 Equity shares of ₹ 10 each to ₹ 45,00,000 divided into 4,50,000 Equity shares of ₹ 10 each	June 24, 2016
4.	Increase in authorized share capital of our Company from ₹ 45,00,000 divided into 4,50,000 Equity shares of ₹ 10 each to ₹ 1,00,00,000 divided into 10,00,000 Equity shares of ₹ 10 each	March 10, 2022
5.	Increase in authorized share capital of our Company from 1,00,00,000 divided into 10,00,000 Equity shares of ₹ 10 each to ₹ 2,00,00,000 divided into 20,00,000 Equity shares of ₹ 10 each	August 05, 2022
6.	Conversion of private company into public company and subsequent change of name of our Company from “Arunaya Organics Private Limited” to “Arunaya Organics Limited”.	December 15, 2023
7.	Increase in authorized share capital of our Company from 2,00,00,000 divided into 20,00,000 Equity shares of ₹ 10 each to ₹ 20,00,00,000 divided into 2,00,00,000 Equity shares of ₹ 10 each	January 08, 2024

## Other details regarding our Company

Details regarding the description of our activities, the growth of our Company, technology, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, marketing, competition and foreign operations, please refer to the chapter titled “*Our Business*”, “*Our Management*” and “*Industry Overview*” on page 130, 165 and 122 respectively of this Draft Red Herring Prospectus.

## Capital Raising (Debt/Equity)

For details of the equity capital raising of our Company, please refer to the chapter titled “*Capital Structure*” on page 77 of this Draft Red Herring Prospectus.

## Injunctions or Restraining Orders

There are no injunctions/ restraining orders that have been passed against the Company.

## Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc.

Our Company has not made any acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last ten years preceding the date of this Draft Red Herring Prospectus.

## Defaults or rescheduling of borrowing with Financial Institutions/Banks

Except disclosed in the “*Risk factor*” chapter on page 30, as on the date of this Draft Red Herring Prospectus, our company has not experienced any defaults or rescheduling of borrowings with any financial institutions/banks.

## **Changes in the activities of our Company during the last five years**

There has been no change in the business activities of our Company during the last five years from the date of this Draft Red Herring Prospectus.

## **Promoters of our Company**

The Promoters of our Company are Vinod Agrawal and Shivali Agrawal. For details, see “*Our Promoters and Promoter Group*” beginning on page 180 of this Draft Red Herring Prospectus.

## **Details of holding company**

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

## **Details of subsidiary or associate company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiary company. However, we have one associate company, Chinmay Chemicals Private Limited, for further details please refer to “*Our Group Company*” on page 184 of the Draft Red Herring Prospectus.

## **Number of shareholders of our Company**

Our Company has eight shareholders as on the date of filing of this Draft Red Herring Prospectus.

## **Shareholders Agreements**

Our Company has not entered into any shareholders agreements as on the date of this Draft Red Herring Prospectus.

## **Other Agreements**

Our Company has not entered into any specific or special agreements except those that have been entered into in the ordinary course of business as on the date of filing of this Draft Red Herring Prospectus.

## **Material Agreements**

Except as stated below, our Company has not entered into any material agreements with strategic partners, joint venture partners and/or financial partners, other than in the ordinary course of business of our Company:

Job Work Agreement dated May 15, 2024, executed between our Company and M/s Chinmay Chemicals Private Limited (referred to as “**Chinmay**”) (the “**Job Work Agreement**”).

Pursuant to the Job Work Agreement, our Company has created a structured chain through our Group Company, namely, M/s. Chinmay Chemicals Private Limited (“Chinmay”). Under this arrangement, we provide the raw materials to Chinmay for the purpose of manufacturing, processing and packaging the same and providing us with the final product. In accordance with the Job Work Agreement, our Company upon receiving an order from its customer, passes on the order for execution to Chinmay, by providing raw material to Chinmay. Accordingly, we derive our revenue from M/s. Chinmay Chemicals Private Limited.

### *Duties and responsibilities of Chinmay*

The key duties and responsibilities of Chinmay have been summarised:

- It shall undertake the job work of manufacturing and processing the products as per the specifications, requirements and quality standards provided by Arunaya from time to time;
- It shall at all times store the products in sound conditions and shall ensure proper storage conditions, suitable for each of the products;
- Within the agreed time period of the receipt of the orders from any of our customers on any working day, Chinmay shall execute such orders.
- It shall obtain all requisite licensees, permits, permissions, approvals as required and applicable for any authorities which are necessary under any law for operational purposes.
- Chinmay shall ensure that all equipment used in the manufacturing and processing is regularly maintained and serviced to prevent breakdowns and ensure optimal performance.

#### *Duties and responsibilities of Arunaya*

The key duties and responsibilities of Arunaya have been summarised:

- Arunaya shall provide detailed and precise specifications, requirements, and quality standards for the products to be manufactured and processed, ensuring Chinmay has all necessary information to complete the job work.
- Arunaya shall provide Chinmay with timely and accurate orders, including necessary details and deadlines to ensure efficient processing and fulfilment.
- Arunaya shall make payments to Chinmay according to the agreed-upon schedule and amounts specified in the contract, ensuring that payments are made promptly and in full.

#### *Consideration*

- Arunaya shall offer reasonable support and assistance to Chinmay, including providing necessary information, approvals, or resources required for the successful completion of the job work.

#### *Period*

The Agreement is valid for a period of 5 years from the date of signing and may be renewed for such further period and upon such terms and conditions as may be mutually, agreed in writing between the parties.

#### *Termination*

The parties have a right to terminate the Agreement immediately upon the happening of one or more of the following events:

- If a decree or order of a court is filed by either party for seeking a petition for bankruptcy or winding up of the party.
- If a party admits in writing its inability to pay its debts as they become due, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors;
- If a governmental regulatory order or final judgment or decree in any jurisdiction which materially and adversely affects the ability of a party to fulfil its obligations to the other party under this Agreement shall have been made, issued obtained or entered against such party and such order, judgment or decree shall not have been vacated,

discharged or stayed pending appeal within the applicable time period; or

- Furthermore, the Agreement may also be terminated by either party at any time in the event that the other party commits a material breach of any provision of the Agreement and such other party fails to remedy such breach within 90 days after receipt of written notice specifying the breach from the non-defaulting party.

#### *Non-Compete and Non-Solicit*

The Chinmay agrees not to engage in any business that competes directly or indirectly with the Arunaya's operations during the term of this Agreement. Additionally, the Chinmay shall not solicit or attempt to solicit any of the Arunaya's employees, clients, or business partners for their own benefit or that of any third party during the term of this Agreement thereafter.

#### *Exclusivity*

The Agreement prescribed an exclusivity period starting from the effective date of this Agreement until completion of the non-compete period provided above ("**Exclusivity Period**"), during which Chinmay will not work for, associate with, carry on, engage in or be concerned in any manner, in any activity / business which is similar to, or competes with, the business of our Company. Further during such period, Chinmay shall exclusively service our Company as the Carrying and Forwarding Agent and shall not serve any other party / business in the said capacity.

#### **Joint Ventures/Collaborations**

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

#### **Strategic and financial partnerships**

Our Company has no strategic and financial partners as on the date of filing of this Draft Red Herring Prospectus. For details related to business activity please refer to the chapter titled "*Our Business*" on page 130 of this Draft Red Herring Prospectus.

#### **Launch of key products or services, entry or exit in new geographies**

For details of launch of key products or services, please refer to the chapter "*Our Business*" on page 130 and "*Objects of the Offer*" on page 91 of this Draft Red Herring Prospectus.

#### **Time and Cost Overruns in Setting-up Projects**

There are no Time and Cost Overruns in Setting-up Projects.

#### **Lock-out or strikes.**

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

#### **Corporate Profile of our Company**

For details on the description of our Company's activities, the growth of our Company, please see "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Offer Price*" on page 130, 219 and 111 of this Draft Red Herring Prospectus.

#### **Changes in the Management**

For details of change in management, please see chapter titled “*Our Management*” on page 165 of the Draft Red Herring Prospectus.

**Changes in accounting policies in last three (3) years**

There have been no changes in the accounting policies of our Company in last three years.

**Guarantees provided by our Promoters**

Save and except as disclosed in this Draft Red Herring Prospectus, our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Draft Red Herring Prospectus. Please refer to the chapter titled “*Financial Indebtedness*” beginning on page 227 of this Draft Red Herring Prospectus.



## OUR MANAGEMENT

### Board of Directors

As on the date of filing of this Draft Red Herring Prospectus, Our Company has 5 (five) directors on our Board, of whom, one Managing Director, one Whole Time Director, one Non-Executive Director and two independent directors (including one woman director).

The following table sets forth the details of our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, date of birth, address, occupation, period of directorship, and DIN	Age (years)	Other directorships
<b>Vinod Agrawal</b>	46	<b>Indian Companies:</b>
<b>Designation:</b> Chairman and Managing Director		Chinmay Chemicals Private Limited
<b>Date of birth:</b> January 18, 1978		<b>Foreign Companies:</b>
<b>Address:</b> I- 802, Shilalekh Apartment, Opp. Police Stadium, Nr Subhash Bridge, Shahibaug, Ahmedabad- 380004, Gujarat, India.		Nil
<b>Occupation:</b> Business		<b>Section 8 Companies:</b>
<b>Current Term:</b> Director since July 30, 2010		Arunaya Foundation
<b>Original Date of Appointment:</b> Director since July 30, 2010		
<b>Date of Re-designation:</b> June 01, 2024 as Managing Director of the Company		
<b>DIN:</b> 02763617		
<b>Shivali Agrawal</b>	47	<b>Indian Companies:</b>
<b>Designation:</b> Executive Director		Chinmay Chemicals Private Limited
<b>Date of birth:</b> April 27, 1977		<b>Foreign Companies:</b>
<b>Address:</b> I/802 Shilalekh Opp Police Stadium Shahibaug, Ahmedabad- 380004, Gujarat, India		Nil
<b>Occupation:</b> Business		<b>Section 8 Companies:</b>
<b>Original Date of Appointment:</b> August 16, 2010, as Executive Director of the company		Arunaya Foundation
<b>Current Term:</b> Liable to retire by rotation		
<b>DIN:</b> 03551106		

Name, designation, date of birth, address, occupation, period of directorship, and DIN	Age (years)	Other directorships
<b>Ashokbhai Agrawal</b>	78	<b>Indian Companies:</b>
<b>Designation:</b> Non-Executive Director		Nil
<b>DIN:</b> 10405599		<b>Foreign Companies:</b>
<b>Date of birth:</b> December 15, 1945		Nil
<b>Address:</b> 7, New Sindhu Society, Near Vallabh Park, D Cabin Road, Sabarmati, Ahmedabad- 380019, India.		<b>Section 8 Companies:</b>
<b>Occupation:</b> Business		Nil
<b>Original Date of Appointment:</b> December 04, 2023 as Additional Non- Executive Director		
<b>Date of Re-designation:</b> May 10, 2024 as Non- Executive Director of the Company		
<b>Current Term:</b> Liable to retire by rotation		
<b>Umesh Menon</b>	53	<b>Indian Companies:</b>
<b>Designation:</b> Non- Executive Independent Director		1.Bugsan Impex Private Limited*
<b>DIN:</b> 00086971		2.Varis Management Services Private Limited
<b>Date of birth:</b> April 15, 1971		3.Shalby Limited
<b>Address:</b> B-9, New Adhyashakti Tenements, Near Rajashri Towers, Jodhpur Village, Ahmedabad- 380015, Gujarat, India		<b>Foreign Companies:</b>
<b>Occupation:</b> Business		Nil
<b>Original Date of Appointment:</b> May 10, 2024		<b>Section 8 Companies:</b>
<b>Current Term:</b> 5 years w.e.f. May 10, 2024		Hubzone For Technology Innovation Foundation
<b>Amita Pragada</b>	35	<b>Indian Companies:</b>
<b>Designation:</b> Non- Executive Independent Director		1. Vrundavan Plantation Limited
<b>DIN:</b> 09578592		2. Viaz Tyres Limited
<b>Date of birth:</b> January 16, 1989		3. Valencia India Private Limited
<b>Address:</b> G 7, Shreedhar Appt., Shyamal Cross Road, Satellite Nr Jivraj Bridge, Ahmedabad- 380015, Gujarat, India		<b>Foreign Companies:</b>
		Nil
		<b>Section 8 Companies:</b>

Name, designation, date of birth, address, occupation, period of directorship, and DIN	Age (years)	Other directorships
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**Occupation:** Professional

Nil

**Nationality:** Indian

**Original Date of Appointment:** May 10, 2024

**Current Term:** 5 years w.e.f. May 10, 2024

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\* *Company is struck off*

### Brief profiles of our directors

**Vinod Agrawal**, aged 46 years, is the Promoter, Chairman, and Managing Director of our company. He has been associated with the company since its inception. He holds a Bachelor of Science (Chemistry) from St. Xavier's College and Post Graduate Diploma in Business Entrepreneurship and Management with specialization in New Enterprise Creation from Entrepreneurship Development Institute of India. He holds a life membership with the Association of Chemical Technologies (India) based in Ahmedabad. In 2022, he received the Business Icon's Award for his significant contributions to both business and society, presented by Divya Bhaskar. Since 2022, he has been serving on the committee of Startup Srujan Seed Support, a flagship initiative under Startup and Innovation Policy 2.0 launched by the Honourable Chief Minister of Gujarat on January 05, 2022. He has over a decade of experience in the dye industry. At Arunaya, he oversees the entire company's operations and sets its strategic direction. His responsibilities include establishing business objectives, devising growth strategies, and ensuring the production of high-quality dyes for the paper, leather, and textile sectors and the other sectors.

**Shivali Agrawal**, aged 47 years, is the promoter and Executive Director of our company. She has been associated with our company as Executive Director since August 16, 2010. She holds a Bachelor of Commerce degree from C.C. Sheth Commerce College, followed by Bachelor of Laws (General and Special) from L.A. Shah Law College, and eventually pursued her Master of Law from I. M. Nanavati Law College. She has more than a decade's experience in the field of administrative functions.

**Ashokbhai Agrawal**, aged 78 years, is Non-Executive Director of our company. He holds Diploma in Mechanical Engineering. He is associated with our company since December 04, 2023 as additional Non- Executive Director, he was re-designated as Non- Executive Director on May 10, 2024. He is the proprietor of Varun Fastners that has been engaged in Nuts and Bolts since 2011. For over 12 years, he has been managing the commercial functions of his proprietorship.

**Umesh Menon**, aged 53 years, is the Non- Executive Independent Director of our company. He has been associated with our company w.e.f. May 10, 2024. He has a Bachelor of Commerce from L.J. Commerce College, Master of Commerce degree from Gujarat University, Master of Business Administration in Finance from Gujarat University, Ph.D. in Management from Calorx Teacher's University. He is also a Fellow Cost Accountant, enrolled with the Institute of Cost and Works Accountants of India. He has more than 4 years of experience in accounting field.

**Amita Pragada**, aged 35 years, is the Non-Executive Independent Director of our Company. She has been associated with our company w.e.f. May 10, 2024. She holds Bachelor of Commerce degree from J. H. Bhalodia Mahila Arts and Commerce College, Bachelor of Laws from Maneklal Nanavati Law College and she is an associate member of the Institute of Companies Secretaries of India. She has nearly four years of experience as a company secretary in Anlon Healthcare Private Limited and she associated Viaz Tyres Limited and Valencia India Private Limited as Independent Director since 2022 and 2023, respectively.

## **Confirmations:**

### **1. Details of directorship in companies suspended or delisted.**

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Red Herring Prospectus, during the term of their directorship in such company.

Further, 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 term of their directorship in such company.

### **2. Family Relationship between the Directors, Key Managerial Personnel and Senior Management Personnel**

Except as stated below, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

<b>Name</b>	<b>Relationship</b>
Vinod Agarwal and Shivali Agrawal	Vinod Agarwal is husband of Shivali Agrawal
Ashokbhai Agrawal and Vinod Agrawal	Ashokbhai Agrawal is father-in-law of Vinod Agrawal
Ashokbhai Agrawal and Shivali Agrawal	Ashokbhai Agrawal is father of Shivali Agrawal

### **3. Arrangements with major Shareholders, Customers, Suppliers or Others**

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a senior management as on the date of this Draft Red Herring Prospectus.

- None of the Directors are categorized as a wilful defaulter or Fraudulent Borrower, as defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations.
- None of the abovementioned Directors have been declared a Fugitive Economic Offender under section 12 of the Fugitive Economic Offender Act, 2018.
- None of the Promoters or Directors has been or is involved as a promoter or director of any other Company which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

### **Service contracts with Directors**

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

### **Borrowing Powers**

In accordance with our Articles of Association and the applicable provisions of the Companies Act, and pursuant to a special resolution of our Shareholders at an EGM held on April 15, 2024 our Board is authorised to borrow monies from time to time in excess of aggregate of paid up share capital and free reserves (apart from temporary loans obtained / to be obtained from the company's bankers in ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed ₹ 100 crore.

### **Terms of employment of our Managing Director**

## Vinod Agrawal, Managing Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on May 31, 2024, Vinod Agrawal was appointed as the Managing Director of our Company for a period of five years with effect from June 01, 2024 and approved by the Shareholders of our Company at the EGM held on June 01, 2024, the terms of remuneration, including his salary, allowances and perquisites were approved in accordance with the provisions of Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder. The terms of our Managing Director have been summarized below:

<b>I</b>	<b>Remuneration:</b>
A	Monthly Fixed Salary of ₹ 2,25,000/- per month.
B	Perquisites: Perquisites in accordance with the rules of the Company and any additional perquisites as may be decided by the Board of Directors of the Company from time to time.
C	Medical Reimbursement: Reimbursement of expenses incurred for self and family as per the policy of the Company.
D	Leave Travel Concession Leave Travel Concession for self and family, once in a year incurred in accordance with the rules of the Company.  <b>Explanation:</b> Family means the spouse, the dependent children and dependent parents of the Managing Director.
E	Company's contribution towards Provident Fund as per the rules of the Company.
F	Gratuity: As per rules of the Company.
G	Earned Leave: As per rules of the Company.
H	Car for use on company's business and telephone at residence will not be considered as perquisites. Personal long-distance calls and use of car for private purpose shall be billed by the Company.
II	The Company shall reimburse to the Managing Director entertainment, travelling and all other expenses incurred by him for the business of the Company.
III	In the event of absence or inadequacy of net profits in any financial year, the remuneration payable to the Managing Director shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modification thereof and the same shall be treated as the Minimum Remuneration payable to the said Managing Director.
IV	During the tenure of his office as Managing Director, he shall be liable to retire by rotation.
V	The Appointment may be terminated at any time by either party thereto by giving to the other party <b>six months'</b> notice of such termination and neither party will have any claim against other for damages or compensation by reason of such termination. In any event, the Managing Director shall not be entitled for any compensation in cases mentioned in Section 202(2) of the Companies Act, 2013.
VI	The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

## Sitting fees and commission to Non-Executive Directors and Independent Directors

Pursuant to a resolution passed by our Board on June 03, 2024, our non-executive director is entitled to receive a sitting fee of ₹ 5,000/- for attending each meeting of our Board and each meeting of our committees, as may be decided by the Board.

Our Company does not pay any remuneration to our Non-Executive and Non-Executive Independent Directors as an annual remuneration/ commission.

None of our Non-Executive and Non-Executive Independent Directors have received any sitting fees in the preceding financial year.

## Payments or benefits to our directors

### Executive Directors:

The table below sets forth the details of the remuneration by issuer Company (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our Executive Directors:

Name of the Executive Directors	Years	Remuneration (₹ in Lakhs)
Vinod Agrawal	2023-24	24.00
	2022-23	28.80
	2021-22	21.87
Shivali Agrawal	2023-24	12.00
	2022-23	15.30
	2021-22	10.93

### Non-Executive Directors:

Non-Executive Directors are not entitled to any remuneration except sitting fees for attending meetings of the Board, or of any committee of the Board.

### Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

### Bonus or profit-sharing plan for our directors

Our Company does not have any performance-linked bonus or a profit-sharing plan in which our directors have participated.

### Shareholding of Directors in our Company

Except as disclosed, none of our directors hold any shares of the company as on the date of this Draft Red Herring Prospectus:

Particulars	Number of shares	Pre- offer	Number of shares	Post- offer
		Percentage of holding		Percentage of holding
Vinod Agrawal	85,85,315	69.92	[●]	[●]
Shivali Agrawal	26,64,596	21.70	[●]	[●]

### Interests of our Directors

Our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles.

Our Executive Directors are interested to the extent of remuneration payable to them pursuant to the Articles of Company and resolution approved by the Board of Directors/Members of the Company as the case may be, time to time for the services rendered as an Officer or employee of the Company.

The Directors are also members of the Company and are deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they

are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer “*Our Management – Shareholding of Directors in our Company*” beginning on page 170 of this Draft Red Herring Prospectus.

Other than our promoters, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

### **Payment of benefits (non-salary related)**

No amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered.

### **Changes in our Company’s Board of Directors during the last three (3) years:**

<b>Name of Directors</b>	<b>Date of Appointment</b>	<b>Date of Change in designation</b>	<b>Date of cessation</b>	<b>Reasons for changes in the Board</b>
Ashokbhai Agrawal	December 04, 2023	-	-	Appointed as Additional Non- Executive Director
Amita Pragada	-	May 10, 2024	-	Appointed as Independent Director
Umesh Menon	-	May 10, 2024	-	Appointed as Independent Director
Ashokbhai Agrawal	-	May 10, 2024	-	Re-designated as Non-Executive Director
Vinod Agrawal	-	June 01, 2024	-	Re-designated as Managing Director

## **COMPLIANCE WITH CORPORATE GOVERNANCE**

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI (LODR) Regulations to the extent applicable to the entity whose shares are listed on the SME Exchange will also be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchange. We are in compliance with the requirements of the applicable regulations, including the SEBI ICDR Regulations and the Companies Act in respect of corporate governance including the constitution of the Board and committees thereof.

The corporate governance framework is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, each as required under law. Our Board of Directors is constituted in compliance with the Companies Act, 2013 and the SEBI (LODR) Regulations.

### **Constitutions of Committees**

Our Company has constituted the following committees:

#### **1. Audit Committee**

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on June 03, 2024, as per the applicable provisions of the Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The Audit Committee comprises of

following members:

Name of the Directors	Designation	Designation in Committee
Umesh Menon	Non- Executive Independent Director	Chairman
Amita Pragada	Non- Executive Independent Director	Member
Vinod Agrawal	Managing Director	Member

The Company Secretary of our Company shall act as Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **Terms of reference:**

#### **Role of Audit Committee**

The scope of audit committee shall include, but shall not be restricted to, the following:

- oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinion(s) in the draft audit report.
- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval of any subsequent modification 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 the conditions as may be prescribed;

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.



11. scrutiny of inter-corporate loans and investments;
12. valuation of undertakings or assets of the Company, wherever it is necessary;
13. evaluation of internal financial controls and risk management systems;
14. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. 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;
16. discussion with internal auditors of any significant findings and follow up there on;
17. 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;
18. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
20. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
21. reviewing the functioning of the whistle blower mechanism;
22. monitoring the end use of funds raised through public offers and related matters;
23. overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
26. carrying out any other functions required to be carried out as per the terms of reference of the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time;
27. consider and comment on rationale, cost- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its members; and
28. to review compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and shall verify that the systems for internal control under the said regulations are adequate and are operating effectively; and
29. Such roles as may be prescribed under the Companies Act, SEBI Listing Regulations and other applicable provisions.
30. Approve all related party transactions and subsequent material modifications.

### **Review of information by Audit Committee**

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the chief internal auditor;
5. Statement of deviations in terms of the SEBI Listing Regulations;

- a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - 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 Listing Regulations.
6. review the financial statements, in particular, the investments made by any unlisted subsidiary.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated June 03, 2024. The constituted Stakeholders Relationship Committee comprises of following members:

Name of the Directors	Designation	Designation in Committee
Ashokbhai Agrawal	Non- Executive Director	Chairman
Umesh Menon	Non- Executive Independent Director	Member
Amita Pragada	Non- Executive Independent Director	Member

The Company Secretary of our Company shall act as Secretary to the Stakeholders Relationship Committee.

The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

### Terms of Reference

#### Nomination and Remuneration Committee

1. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
2. Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
3. Review of measures taken for effective exercise of voting rights by members;
4. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures, or any other securities;
5. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures, and other securities from time to time;
6. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

7. 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 members of the company; and
8. Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

### 3. Nomination and Remuneration Committee:

Our Company has formed the Nomination and Remuneration Committee as per Section 178 of the Companies Act, 2013 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) vide board resolution dated June 03, 2024. The Nomination and Remuneration Committee comprises of following members:

Name of the Directors	Designation	Designation in Committee
Umesh Menon	Non- Executive Independent Director	Chairman
Amita Pragada	Non- Executive Independent Director	Member
Ashokbhai Agrawal	Non- Executive Director	Member

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

#### The terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”).

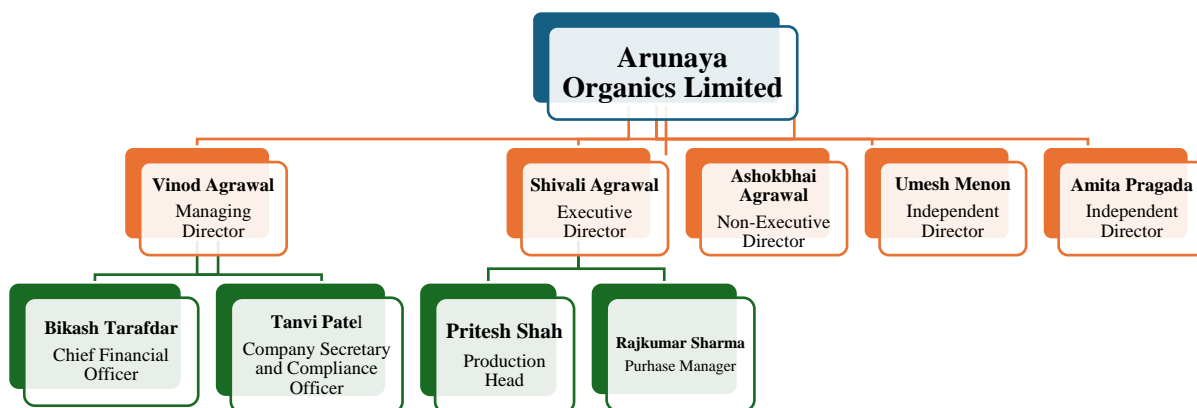
The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.
2. Formulation of criteria for evaluation of performance of independent directors and the Board;
  3. Devising a policy on Board diversity;
  4. Identifying persons who are qualified to become directors and who may be appointed as senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out effective evaluation of performance of Board, its committees and individual directors (including independent directors) to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
  5. Analysing, monitoring, and reviewing various human resource and compensation matters;
  6. Deciding 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. Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
9. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
11. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
12. Administering monitoring and formulating detailed terms and conditions the employee stock option scheme/ plan approved by the Board and the members of the Company in accordance with the terms of such scheme/ plan ("**ESOP Scheme**"), if any;
13. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme;
14. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
15. For every appointment of an independent director, the Nomination and Remuneration 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 for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
16. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

## **Management Organization Structure**

The following chart depicts our Management Organization Structure



## Our Key Managerial Personnel and Senior Management Personnel

Vinod Agrawal, Managing Director, Bikash Tarafdar, Chief Financial Officer and Tanvi Patel, Company Secretary & Compliance Officer are the Key Managerial Personnel of our Company as on the date of this Draft Red Herring Prospectus.

In addition to Tanvi Patel, the Company Secretary and Compliance Officer who is also a Key Managerial Personnel of our Company, (i) Pritesh Shah and Rajkumar Sharma are the Senior Management Personnel of our Company as on date of this Draft Red Herring Prospectus.

## Profiles of our Key Managerial Personnel

For the profile of Vinod Agrawal as a Managing Director, whose details are provided under “*Brief Profiles of our Directors*” in the “*Our Management*” beginning on page 167 of this Draft Red Herring Prospectus. The details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below:

1. **Bikash Tarafdar**, aged 33 years, is Chief Financial Officer of our Company. He has been associated with our Company as Chief Financial Officer w.e.f. May 09, 2024. He holds a Bachelor of Commerce degree from Ashvinbhai A Patel Commerce College, Gandhinagar and has cleared his Master of Commerce from Gujarat University. He has 2 years of experience in field of finance, before joining our company he was associated with DEK and Mavericks Infratech Private Limited. He is entitled to a remuneration of ₹ 9.60 lakhs per annum.
2. **Tanvi Patel**, aged 38 years, is the Company Secretary and Compliance Officer of our Company. She is associated with our organization since May 09, 2024 as Company Secretary and Compliance Officer. She holds a Bachelor of Commerce degree from J. G. College of Commerce and Master of Commerce degree from Gujarat University and is an associate member of Institute of Company Secretaries of India (ICSI). She is responsible for compliance with statutory and regulatory requirements and for ensuring that the decisions of our Board are implemented. She has had previous work experience with Pradhin Limited as Company Secretary from August 2022 to April 2024. She is entitled to a remuneration of ₹ 2.40 lakhs per annum.

## Brief Profile of our Senior Management Personnel

The details of other Senior Management Personnel of our Company, as on the date of this Draft Red Herring Prospectus are set forth below:

1. **Pritesh Shah**, aged 44 years, is Production Head in our Company. He holds a Bachelor of Science degree from Gandhinagar Science College. He has been associated with our company since December 2010, he was promoted

as Production head in 2019. He is responsible for leading and managing the production department and ensure the efficient, cost-effective, and timely production of high-quality products. He has more than ten years of experience as Production Head. He is paid a remuneration of ₹ 2.40 lakhs from our Company.

2. **Rajkumar Sharma**, aged 52 years, is Purchase Manger in our Company. He has appeared Higher Secondary School Examination. He joined our company from January 01, 2024. He is responsible for managing purchase order follow-ups, maintaining and recording physical inventory, and preparing invoices, delivery challans, e-way bills, and purchase bills for payment processing. He has more than twenty years of experience as purchase incharge and excise assistant. Previously, he worked with Ankit Industries. He is entitled to a remuneration of ₹ 6.00 lakhs from our Company.

### **Status of Key Managerial Personnel and Senior Management**

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

### **Relationship amongst the Key Managerial Personnels of our Company**

Except as disclosed in “*Family Relationship between the Directors, Key Managerial Personnel and Senior Management Personnel*” on page 168 of this Draft Red Herring Prospectus, none of our Key Managerial Personnel or Senior Management are related to each other or any of our Directors.

### **Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management were entitled for any contingent or deferred compensation for the year ended March 31, 2024.

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

None of the above Key Managerial Personnel have entered into to any arrangement/ understanding with major shareholders/customers/suppliers as on the date of this Draft Red Herring Prospectus

### **Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnels**

Our Company does not have profit sharing plans for the Key Management Personnel.

### **Shareholding of Key Management Personnel and Senior Management Personnel in our Company**

Except for Vinod Agrawal who holds 85,85,315 Equity Shares, constituting 69.92% of total paid- up share capital of our company, none of our Key Managerial Personnel hold Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus. For further details, please refer to section titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus.

### **Interest of Key Managerial Personnel and Senior Management Personnel**

Except as disclosed in this Draft Red Herring Prospectus, the Key Managerial Personnel and Senior Management Personnel of our Company do not have any interest in our Company other than to the extent of their shareholding, remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

### **Employee Stock Option or Employee Stock Purchase**

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Red Herring Prospectus.

### **Payment of Benefits to of our KMPs and SMPs (non-salary related)**

Except as disclosed in this Draft Red Herring Prospectus, other than any statutory payments made by our Company to its KMPs and SMPs, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees.

For further details, please refer section titled “*Restated Financial Statements*” beginning on page 187 of this Draft Red Herring Prospectus.

### **Service Contracts with Key Managerial Personnel and Senior Management**

Our Key Managerial Personnel and Senior Management, other than our Managing Director and Chief Financial Officer, are governed by the terms of their respective appointment letters/resolutions of our Board in relation their terms of appointment and have not entered into any other service contracts with our Company. Further, no officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

### **Changes in Our Company’s Key Managerial Personnel during the last three (3) years**

<b>Name of KMP</b>	<b>Designation</b>	<b>Date of Appointment/ Redesignation</b>	<b>Date of Resignation</b>	<b>Reason</b>
Bikash Tarafdar	Chief Financial Officer	May 09, 2024	-	Appointed as Chief Financial Officer
Tanvi Patel	Company Secretary and Compliance Officer	May 09, 2024	-	Appointed as Company Secretary and Compliance Officer
Vinod Agrawal	Managing Director	June 01, 2024	-	Re-designated as Managing Director

## OUR PROMOTERS AND PROMOTER GROUP

### Promoters

Vinod Agrawal and Shivali Agrawal are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, our promoters hold 1,12,50,861 Equity Shares in aggregate, representing 91.63% of the issued, subscribed, and paid-up Equity Share capital of our Company. For details pertaining to our Promoters shareholding, please refer to chapter titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus.

The details of our individual promoters are as under:

#### Vinod Agrawal



**Vinod Agrawal**, aged 46 years, is the promoter of our company designated as Chairman and Managing Director.

For further details in respect of his date of birth, address, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, see “*Our Management*” on page 165.

**Date of Birth:** January 18, 1978

**Address:** I-802, Shilalekh Apartment, Opp. Police Stadium, Nr Subhash Bridge, Shahibaug, Ahmedabad- 380004, Gujarat, India

**PAN:** ADIPA3130A

**Interest in other entities:**

1. Arunaya Foundation
2. Chinmay Chemicals Private Limited
3. Vinod Brijmohan Agrawal HUF

#### Shivali Agrawal



**Shivali Agrawal**, aged 47 years, is the promoter of our company designated as Executive Director.

For further details in respect of her date of birth, address, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, see “*Our Management*” on page 165.

**Date of Birth:** April 27, 1977

**Address:** I-802, Shilalekh Apartment, Opp. Police Stadium, Nr Subhash Bridge, Shahibaug, Ahmedabad- 380004, Gujarat, India

**PAN:** ALWPA0698K

**Interest in other entities:**

4. Arunaya Foundation
5. Chinmay Chemicals Private Limited
6. Vinod Brijmohan Agrawal HUF
7. Square International

### Other Undertakings and Confirmations

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number of the Promoters will be submitted at the time of submission of this Draft Red Herring Prospectus to the NSE for listing of the securities of our Company on EMERGE Platform. Of NSE.



Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as a willful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them. None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a promoters, director or person in control are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

### **Change in Control of our Company:**

The original subscribers of our company were Dilip Agrawal and Vinod Agrawal holding 5,000 shares each. On March 25, 2011, through further allotment Vinod Agrawal, Rajkumari Gupta, Deepak Kumar Gupta and Sunderlal Gupta were allotted 32,500, 10,000, 10,000 and 8,000 Equity Shares, respectively. On March 31, 2012, Rajkumari Gupta transferred 10,000 shares to Shivali Agrawal. Currently, the Promoters of the Company are Vinod Agrawal and Shivali Agrawal holding 85,85,315 equity shares and 26,64,596 equity shares, respectively.

### **Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled *"Our Management"* beginning on page 165 of this Draft Red Herring Prospectus.

### **Interest of Promoters**

None of our Promoters have any interest in our Company except to the extent of compensation payable/ paid, loans given to the company, loans repaid by the Company, commission and reimbursement of expenses, if applicable and to the extent of any equity shares held by them or their relatives to the extent of benefits arising out of such shareholding. For further details please refer the chapters titled *"Capital Structure"*, *"Financial Information"* and *"Our Management"* beginning on page 77, 187 and 165 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested, and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business.

### **Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the promoters in order to carry on its present business. Our promoters are interested in our Company to the extent of their shareholding and shareholding of their relatives and directorship in our Company and the dividend declared, if any, by our Company. For further details, see *"Capital Structure"*, *"Our Management"*, *"Summary of the Offer Document – Related Party Transactions"* and *"Financial Information"* beginning on pages 77, 165, 27 and 187, respectively of this Draft Red Herring Prospectus.

### **Interest of Promoters in the Property of our Company**

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus.

### **Interest of Promoters in our Company other than as a Promoters**

The Promoters of our Company are also interested in our Company as Managing Director (Vinod Agrawal) and Executive Director (Shivali Agrawal) of our Company and may be deemed to be interested in the remuneration payable to him and the reimbursement of expenses incurred by them in the said capacity. For further details, see “*Our Management*” on page 165.

## Related Party Transactions

Except as stated in the Chapter titled “*Financial Information*” on page 187 of this Draft Red Herring Prospectus, our Company has not entered related party transactions with our Promoters.

## Common Pursuits of Promoters and Promoter Group Companies

Our Promoters are interested in Promoter Group Entities i.e. Chinmay Chemicals Private Limited, that is engaged in a similar line of business. For further information on common pursuits and risks associated, please refer risk factor on ‘conflicts of interest’ in chapter titled “*Risk Factors*” beginning on page 30 of this Draft Red Herring Prospectus.

## Payment of amounts or benefits to the Promoters or Promoter Group during the last two years

Except as stated in the Chapter titled “*Financial Information*” on page 187 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus.

## Guarantees provided by our Promoters

Except as stated in the chapter titled “*Financial Indebtedness*” and section titled “*Restated Financial Statements*” beginning on page 227 and 187 of this Draft Red Herring Prospectus, respectively, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

## OUR PROMOTER GROUP

In addition to our Promoters, the following individuals, companies, partnerships and HUFs, etc. Form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations:

### (a) Natural Persons who are part of the Promoter Group:

Relationship with the Promoters	Vinod Agrawal	Shivali Agrawal
Father	Late Brijmohan Agrawal	Ashokbhai Agrawal
Mother	Late Anguri devi Agrawal	Rashmi Aggarwal
Spouse	Shivali Agrawal	Vinod Agrawal
Brother	Late Dilipkumar Agrawal	Munish Aggarwal
Sister(s)	Premlata Agrawal	-
	Yamini Singhal	-
	Mamta Singhal	-
Son	Maanas Agrawal	Maanas Agrawal
Daughter	Maahi Agrawal	Maahi Agrawal
Spouse’s Father	Ashokbhai Agrawal	Late Brijmohan Agrawal
Spouse’s Mother	Rashmi Aggarwal	Late Anguri Devi Agrawal
Spouse’s Brother	Munish Aggarwal	Late Dilipkumar Agrawal
Spouse’s Sister(s)	-	Premlata Agrawal

Relationship with the Promoters	Vinod Agrawal	Shivali Agrawal
	-	Yamini Singhal
	-	Mamta Singhal

**(b) Companies / entities forming part of the Promoter Group**

Sr. No.	Name of the entities
1.	Square International
2.	Chinmay Chemicals Private Limited
3.	Vinod Brijmohan Agrawal HUF
4.	Varun Fastners
5.	Arunaya Foundation
6.	Mamta Enterprise

Other than as disclosed here, our Company has no companies or entities that form part of our Promoter Group.

**Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please refer the chapter titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus.

**Companies with which the Promoters have disassociated in the last three years**

Our promoters have not been disassociated from any of the entities in preceding three years.

**Other Ventures of our Promoters:**

Except as disclosed in this section titled “*Our Promoters and Promoter Group*” beginning on page 180 of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests as on date of this Draft Red Herring Prospectus

## OUR GROUP COMPANY

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies', our Company has considered such companies with which there were related party transactions during the period for which Restated Financial Statements has been disclosed in this Draft Red Herring Prospectus, as covered under the applicable accounting standards.

Accordingly, all such companies with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

Accordingly, Chinmay Chemical Private Limited is considered as the Group Company of our company.

### Chinmay Chemical Private Limited (CCPL)

#### *Corporate Information*

CCPL was originally incorporated as "Chinmay Chemicals Private Limited" on March 28, 1995 as a private limited company under the provisions of the Companies Act, 1956 pursuant to Certificate of Incorporation issued by Asstt. Registrar of Companies, Gujarat, Dadra & Nagar Haveli bearing Corporate Identification Number U24110GJ1995PTC025209.

#### *Nature of business*

CCPL is engaged in the business of manufacturing, processing, and dealing with all kinds of pigments, dyes, chemicals auxiliaries, intermediaries including not limited to heavy chemicals, fine chemicals, organic and inorganic chemicals and allied chemicals used for textiles, paints, cosmetics, pharmaceuticals and paper made from any substance.

#### *Capital Structure*

The details of the capital structure are as follows:

Particulars	Aggregate Nominal Value (Amount in ₹)
<b><i>Registered Capital</i></b>	
1,00,000 shares of ₹ 10 each	10,00,000
<b><i>Issued, Subscribed and Paid- Up Capital</i></b>	
38,610 equity shares of ₹ 10 each	3,86,100

#### *Shareholding Pattern*

Sr. No.	Name of Shareholder	Number of shares	Percentage of total Capital
4.	Vinod Agrawal	24,293	62.92%
5.	Arunaya Organics Limited	7,377	19.11%
6.	Shivali Agrawal	6,940	17.97%
	<b>Total</b>	<b>38,610</b>	<b>100.00%</b>

#### *Financial Performance*

CCPL does not have a website. Accordingly, the details of the reserves (excluding revaluation reserves), sales, profit/(loss) after tax, basic earnings per share, diluted earnings per share and Net Asset Value (NAV) Per Share derived from the audited financial statements of CCPL for financial years ended March 31, 2023, March 31, 2022

and March 31, 2021 in terms of the SEBI ICDR Regulations are available on the website of our Company at [www.arunayaorganics.com](http://www.arunayaorganics.com).

**i. Outstanding Litigation involving the Group Company**

Except mentioned in Chapter “*Outstanding Litigation and Other Material Developments*”, there are no pending litigation involving the group company which may have a material impact on our Company.

For details of litigation involving the Group Company, kindly refer to chapter “*Outstanding Litigation and Other Material Developments*” on 229 of this Draft Red Herring Prospectus.

**ii. Significant Adverse Factors relating to Group Company**

**Common Pursuits**

Our Group Company is engaged in business activities similar to that of our Company. We adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

**Related business transactions within our Group Company and significance on the financial performance of the Company**

Other than the transactions as disclosed under “*Restated Financial Statements*” on page 187, there are no other related business transactions within the Group Company that may have significance on the financial performance of our Company.

**Business Interest**

Other than as disclosed under “*Restated Financial Statements*” on page 187 there are no other business interests of our Group Company in our Company.

**Other Confirmations**

Our Company hereby confirms that:

1. Our Group Company do not hold any Equity Shares, warrants/convertible securities in our Company as of the date of this Draft Red Herring Prospectus.
2. Our Group Company is not a listed entity on any stock exchange in India or abroad and have not made any public or rights issue in preceding three years.
3. Our Group Company is not interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, or any other contract, agreement or arrangement entered into by our Company, and no payments have been made or are proposed to be made in respect of any such contracts, agreements or arrangements, by any of our Group Company.
4. 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.

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our 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.

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 several factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividends in the last three fiscal years and the period between the last audited period and the date of filing of this Draft Red Herring Prospectus.

For further details, please refer to section titled “*Financial Information*” beginning on page 187 of this Draft Red Herring Prospectus.

## SECTION VI – FINANCIAL INFORMATION

### RESTATED FINANCIAL STATEMENTS

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,

The Board of Directors,

**ARUNAYA ORGANICS LIMITED**

C-8, GIDC Phase-II Naroda,

Ahmedabad, Gujarat,

India, 382330

Dear Sir,

We have examined the attached Restated Consolidated Audited Financial Information of **ARUNAYA ORGANICS LIMITED** comprising the Restated Consolidated Audited Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, the Consolidated Restated Audited Statement of Profit & Loss and the Restated Consolidated Audited Cash Flow Statement for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Consolidated Financial Information) as approved by the Board of Directors in their meeting held on August 21, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:

- i. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the “Act”);
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) as amended (ICDR Regulations”); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“SEBI”);
- iii. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”).

The Company’s Board of Directors is responsible for the preparation of the Consolidated Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus to be filed with Stock Exchange, Securities and Exchange Board of India and Registrar of Companies, Ahmedabad in connection with the proposed IPO. The Consolidated Restated Financial Information has been prepared by the management of the Company for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 on the basis of preparation stated in Annexure D to the Consolidated Restated Financial Information. The Board of Directors of the company’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

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 31<sup>st</sup> December 2023 in connection with the proposed IPO of equity shares 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 evidences 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.

This Consolidated Restated Financial Information has been compiled by the management from:

Consolidated Audited financial statements of company as at and for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India.

For the purpose of our examination, we have relied on:

- a. Auditors' Report issued by us for the financial year ended on 31<sup>st</sup> March, 2024 and Auditors Report issued by Ambani Gupta & Jain for financial year ended on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, on 6<sup>th</sup> September, 2023 and 6<sup>th</sup> September, 2022 respectively.
- b. The audit was conducted by us as a statutory auditors, and accordingly reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and (collectively, the Consolidated Audited Financial Statement") examined by them for the said year.

The modification in Consolidated restated financials were carried out based on the modified reports, if any, issued by us which is giving rise to modifications on the financial statements as at and for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, respectively. There is no qualification by us for the Financial Statement for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, respectively.

The audit reports on the Consolidated financial statements were modified and included following matter(s) giving rise to modifications on the financial statements for the financial year ended on 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022:

- a) The Restated Consolidated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Consolidated Financial Information or Restated Summary Consolidated Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There are no qualifications in the Audit Reports issued by us for the financial year ended on 31<sup>st</sup> March, 2024, and the Audit Reports issued by Ambani Gupta & Jain for the financial year ended on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, respectively which would require adjustments in this Restated Consolidated Financial Statements of the Company;



- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE - D to this report;
- f) Adjustments in Restated Consolidated Financial Information or Restated Consolidated Summary Financial Statement have been made in accordance with the correct accounting policies;
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Consolidated Financial Information or Restated Consolidated Summary Financial Statement;
- h) There are no revaluation reserves, which need to be disclosed separately in the Restated Consolidated Financial Information or Restated Consolidated Summary Financial Statement;
- i) The related party transaction if any for purchase & sales of Goods entered by the company are at arm's length price;
- j) The Company has not paid any dividend since its incorporation;

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a. The "Restated Consolidated Statement of Assets and Liabilities" as set out in ANNEXURE – A to this report, of the Company for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- b. The "Consolidated Restated Statement of Profit and Loss" as set out in ANNEXURE – B to this report, for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, is prepared by the Company and approved by the Board of Directors. These Restated Consolidated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c. The "Consolidated Restated Statement of Cash Flow" as set out in ANNEXURE – C to this report, for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial year ended on 31<sup>st</sup> March, 2024, 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022, proposed to be included in the Draft Prospectus / Prospectus ("Draft Red Herring Prospectus/ Red Herring Prospectus") for the proposed IPO.

Restated Statement of Share Capital & Reserves and Surplus	Annexure – A.1
	Annexure – A.2
Restated Statement of Long Term Borrowing	Annexure – A.3
Restated Statement of Long-Term Provisions	Annexure – A.4
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure – A.11
Restated Statement of Short Term Borrowing	Annexure – A.5
Restated Statement of Trade Payables	Annexure – A.6
Restated Statement of Other Current Liabilities	Annexure – A.7
Restated Statement of Short Term Provisions	Annexure – A.8
Restated Statement of Fixed Assets	Annexure – A.9
Restated Statement of Non-Current Investments	Annexure – A.10
Restated Statement of Long Term Loans & Advances	Annexure – A.12
Restated Statement of Other Non Current Assets	Annexure – A.13
Restated Statement of Inventories	Annexure – A.14
Restated Statement of Trade Receivables	Annexure – A.15
Restated Statement of Cash & Cash Equivalents	Annexure – A.16
Restated Statement of Short Term Loans & Advances	Annexure – A.17
Restated Statement of Other Current Assets	Annexure – A.18
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Purchase of Stock in Trade / Cost of Material Consumed	Annexure – B.3
Restated Statement of Changes in Inventory of Finished Goods, WIP & Stock in Trade	Annexure – B.4
Restated Statement of Employee Benefit Expenses	Annexure – B.5
Restated Statement of Finance Cost	Annexure – B.6
Restated Statement of Depreciation & Amortisation	Annexure – B.7
Restated Statement of Other Expenses	Annexure – B.8
Restated Statement of Deferred Tax Asset / Liabilities	Annexure – B.9
Restated Statement of Cash Flows	Annexure – C
Statement of Material Adjustment To The Restated Financial Statement	Annexure – E
Restated Statement of Tax shelter	Annexure – F
Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated Statement of Related Party Transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Consolidated Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, Abhishek Kumar & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants nor should this report be construed as a new opinion on any of

the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, Abhishek Kumar & Associates**  
**Chartered Accountants**  
**FRN 130052W**  
**Peer Review Certificate No: 014429**

**CA Abhishek Agrawal**  
**Proprietor**  
**M. No. 132305**  
**UDIN: 24132305BKEZAF9733**  
**Place: Ahmedabad**  
**Date: August 21, 2024**

**ARUNAYA ORGANICS LIMITED**  
**CIN - U24100GJ2010PLC061794**  
**(FORMERLY KNOWN AS ARUNAYA ORGANICS PRIVATE LIMITED)**  
**ANNEXURE – A : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amount in Lakhs except Units in Actual Numbers)

Sr. No.	Particulars		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A.</b>	<b>Equity and Liabilities</b>				
<b>1</b>	<b>Shareholders' Funds</b>				
	Share Capital	<b>A.1</b>	84.65	84.65	73.16
	Reserves & Surplus	<b>A.2</b>	1,041.93	639.87	402.22
	<b>Share application money pending allotment</b>		0.00	0.00	0.00
<b>2</b>	<b>Non-Current Liabilities</b>				
	Long-Term Borrowings	<b>A.3</b>	351.62	256.19	295.34
	Other Non-Current Liabilities		0.00	0.00	0.00
	Long-Term Provisions	<b>A.4</b>	4.00	2.50	2.50
	Deferred Tax Liabilities (Net)	<b>A.11</b>	0.00	0.00	0.00
<b>3</b>	<b>Current Liabilities</b>				
	Short Term Borrowings	<b>A.5</b>	978.29	1,060.67	694.94
	Trade Payables :				
	(A) total outstanding dues of micro enterprises and small enterprises; and	<b>A.6</b>	406.35	1,153.90	914.83
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	<b>A.6</b>	1,456.38	569.09	980.16
	Other Current Liabilities	<b>A.7</b>	27.25	25.79	17.61
	Short Term Provisions	<b>A.8</b>	155.63	70.84	55.88
	<b>Total</b>		<b>4,506.10</b>	<b>3,863.49</b>	<b>3,436.63</b>
<b>B.</b>	<b>Assets</b>				
<b>1</b>	<b>Non-Current Assets</b>				
	Property, Plant and Equipment				
	Tangible Assets	<b>A.9</b>	307.33	321.57	326.75
	Intangible Assets		0.00	0.00	0.00
	Non-Current Investments	<b>A.10</b>	56.67	65.57	63.58
	Deferred Tax Assets	<b>A.11</b>	6.28	5.53	3.72
	Long Term Loans & Advances	<b>A.12</b>	219.51	172.14	173.85
	Other Non Current Assets	<b>A.13</b>	0.00	0.00	0.00
<b>2</b>	<b>Current Assets</b>				
	Current Investments		0.00	0.00	0.00
	Inventories	<b>A.14</b>	1,758.04	885.81	476.20
	Trade Receivables	<b>A.15</b>	2,073.85	2,183.97	2,228.73
	Cash and Cash Equivalents	<b>A.16</b>	11.18	22.63	16.72
	Short-Term Loans and Advances	<b>A.17</b>	21.80	27.66	51.33
	Other Current Assets	<b>A.18</b>	51.42	178.60	95.75
	<b>Total</b>		<b>4,506.10</b>	<b>3,863.49</b>	<b>3,436.63</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

As per our Report of Even Date

**For, Abhishek Kumar & Associates**  
**Chartered Accountants**  
**Firm Registration No : 130052W**

**For & On behalf of Board of Directors**  
**ARUNAYA ORGANICS LIMITED**

**CA ABHISHEK AGARWAL**  
**Proprietor**  
**M. No. 132305**  
**UDIN :**  
**Date :**  
**Place : Ahmedabad**

**VINOD B**  
**AGRAWAL**  
**Director**  
**DIN : 02763617**

**SHIVALI V**  
**AGRAWAL**  
**Director**  
**DIN : 03210478**

**ARUNAYA ORGANICS LIMITED**  
**CIN - U24100GJ2010PLC061794**  
**(FORMERLY KNOWN AS ARUNAYA ORGANICS PRIVATE LIMITED)**  
**ANNEXURE – B : RESTATED STATEMENT OF PROFIT AND LOSS**  
**(Amount in Lakhs except Units in Actual Numbers)**

Sr. No	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A.</b>	<b>Revenue:</b>				
	Revenue from Operations	<b>B.1</b>	6,223.32	7,585.02	6,154.72
	Other income	<b>B.2</b>	56.13	51.94	70.94
	<b>Total Revenue</b>		<b>6,279.45</b>	<b>7,636.96</b>	<b>6,225.66</b>
<b>B.</b>	<b>Expenses:</b>				
	Cost of Material Consumed	<b>B.3</b>	5,025.85	5,724.14	2,647.56
	Change in Inventories of WIP, Finished Goods & Stock in Trade	<b>B.4</b>	5.00	769.96	2,591.52
	Employees Benefit Expenses	<b>B.5</b>	130.31	136.00	146.42
	Finance costs	<b>B.6</b>	172.18	133.92	95.26
	Depreciation and Amortization	<b>B.7</b>	21.67	25.02	16.76
	Other expenses	<b>B.8</b>	363.64	606.93	541.57
	<b>Total Expenses</b>		<b>5,718.65</b>	<b>7,395.97</b>	<b>6,039.09</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>560.80</b>	<b>240.99</b>	<b>186.57</b>
	Exceptional Items		0.00	0.00	0.00
	<b>Profit before extraordinary items and tax</b>		<b>560.80</b>	<b>240.99</b>	<b>186.57</b>
	Extraordinary items		0.00	0.00	0.00
	<b>Share of Associate's Net Profit</b>		<b>0.00</b>	<b>1.99</b>	<b>2.16</b>
	<b>Profit before tax</b>		<b>560.80</b>	<b>242.98</b>	<b>188.73</b>
	<b>Tax expense :</b>				
	Current tax		153.13	68.84	52.88
	Current tax expense relating to prior years		0.00	1.31	0.00
	Proposed Dividend		0.00	0.00	0.00
	Deferred Tax	<b>B.9</b>	-0.75	-1.81	-0.26
	<b>Profit (Loss) for the period from continuing operations</b>		<b>408.42</b>	<b>174.64</b>	<b>136.12</b>
	<b>Earning per equity share in Rs.:</b>				
	(1) Basic		3.97	1.70	1.53
	(2) Diluted		3.97	1.70	1.53

Note : The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D,A&C.

**For, Abhishek Kumar & Associates**  
**Chartered Accountants**  
**Firm Registration No : 130052W**

**CA ABHISHEK AGARWAL**  
**Proprietor**  
**M. No. 132305**  
**UDIN :**  
**Date :**  
**Place : Ahmedabad**

**For & On behalf of Board of Directors**  
**ARUNAYA ORGANICS LIMITED**

**VINOD B**  
**AGRAWAL**  
**Director**  
**DIN : 02763617**

**SHIVALI V**  
**AGRAWAL**  
**Director**  
**DIN : 03210478**

**ARUNAYA ORGANICS LIMITED**

**CIN - U24100GJ2010PLC061794**

**(FORMERLY KNOWN AS ARUNAYA ORGANICS PRIVATE LIMITED)**

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

**(Amount in Lakhs except Units in Actual Numbers)**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/ (Loss) before tax	<b>560.80</b>	<b>242.98</b>	<b>188.73</b>
Adjustments for:			
Depreciation	21.67	25.02	16.76
Finance Cost	172.18	133.92	95.26
Foreign exchange Gain	56.12	45.64	67.32
Interest Income	0.00	5.48	2.87
Share of Associate's Net Profit	0.00	-1.99	-2.16
<b>Operating profit before working capital changes</b>	<b>810.77</b>	<b>451.05</b>	<b>368.78</b>
Movements in working capital :			
(Increase)/Decrease in Reserves	0.00	0.00	0.00
(Increase)/Decrease in Inventories	-872.23	-409.61	292.46
(Increase)/Decrease in Trade Receivables	110.12	44.77	-765.04
(Increase)/Decrease in Short term Loans & Advances	5.86	23.67	44.53
(Increase)/Decrease in Other Current Assets	127.18	-82.84	79.39
Increase/(Decrease) in Trade Payables	139.74	-172.00	115.03
Increase/(Decrease) in Other Current Liabilities	1.46	8.18	11.84
Increase/(Decrease) in Long Term Provisions	1.50	0.00	1.50
Increase/(Decrease) in Short Term Provisions	84.79	14.96	29.52
<b>Cash generated from operations</b>	<b>-401.58</b>	<b>-572.88</b>	<b>-190.77</b>
Adjustment on Account of Income Tax Expense	-159.49	-92.18	-94.43
<b>Net cash from operating activities (A)</b>	<b>249.69</b>	<b>-214.00</b>	<b>83.59</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale/(Purchase) of Investments	8.90	0.00	0.00
(Increase)/Decrease in Long Term Loans & Advances	-47.37	1.71	-159.60
Interest Income	0.00	-5.48	-2.87
Sale/(Purchase) of Fixed Assets	-7.43	-19.84	-294.27
(Increase)/Decrease in Other Non Current Assets	0.00	0.00	0.00
<b>Net cash from investing activities (B)</b>	<b>-45.90</b>	<b>-23.61</b>	<b>-456.74</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Interest/Other expenses paid on borrowings	-172.18	-133.92	-95.26
Foreign exchange Gain	-56.12	-45.64	-67.32
Proceeds/(Repayment) of Long Term Borrowings	95.43	-39.15	187.74
Increase/(Decrease) in Short Term Borrowings	-82.38	365.73	310.46
Proceeds/(Repayment) of Share Application Money/	0.00	0.00	0.00
Proceeds From Issue of Share Capital including Premium	0.00	96.51	36.58
<b>Net cash from financing activities (C)</b>	<b>-215.24</b>	<b>243.53</b>	<b>372.20</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>-11.45</b>	<b>5.91</b>	<b>-0.95</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>22.63</b>	<b>16.72</b>	<b>17.67</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11.18</b>	<b>22.63</b>	<b>16.72</b>

**Note 1:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

**Note 2:** Balances stated above has been rounded off in nearest Rs. 10 to remove the fractional differences from the balances as

**For, Abhishek Kumar & Associates**

**Chartered Accountants**

**Firm Registration No : 130052W**

**CA ABHISHEK AGARWAL**

**Proprietor**

**M. No. 132305**

**UDIN :**

**Date :**

**Place : Ahmedabad**

**For & On behalf of Board of Directors**

**ARUNAYA ORGANICS LIMITED**

**VINOD B  
AGRAWAL**

**Director  
DIN : 02763617**

**SHIVALI V  
AGRAWAL**

**Director  
DIN : 03210478**

**CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION  
OF NET PROFIT/ (LOSS) AND RECONCILIATION OF NETWORTH**

**A. COMPANY INFORMATION**

**ARUNAYA ORGANICS LIMITED**, was incorporated as a Public Limited Company under the provisions of the Companies Act, 2013. The Corporate Identification Number (CIN) of the Company is **U24100GJ2010PLC061794** and the Permanent Account Number (PAN) of the Company is **AAICA6804D**. Company is engaged in manufacturing of Dyes Intermediates and Acid dyes used in industries like Textiles, Paints, Plastics, Mining.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Convention**

The Consolidated financial statement is prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumptions of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

**2. Use of Estimates**

The preparation of Consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/ materialized.

**3. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction is included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized. In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective on completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance. Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

**4. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

**5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets and depreciation rates as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

**6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account. Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

Inventories consist of Raw Materials, Stock Work-in-Progress and Finished Goods are valued at Cost or Net Realizable Value, whichever is lower.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned, no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gains on sale of investment if any are recognized on completion of transaction. No notional profits/losses are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

## **9. Borrowing Cost**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long-term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized.

## **11. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **12. Foreign Currency Transaction**

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## **13. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

## **B. NOTES ON ACCOUNTS**

1. Amounts are in lakhs except units are in actual numbers wherever required considered accordingly for respective computations.



2. The Consolidated financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

3. **Segment Reporting**

The company is dealing in primary segment i.e. Manufacturing of Dyes Intermediates and Acid dyes. Company does not have distinguishable component of an enterprise that is engaged in providing an individual product or service and that is subject to risks and returns that are different from those of other business segment.

4. **Post Employment Benefits:**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long-term employee benefits are recognized as an expense in the profit & loss account for the year in which the liabilities are crystallized. Company has not made obligation related to post employment benefit.

5. **Foreign Currency Transaction (AS 11)**

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.
- ii) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

6. **Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2024 except as mentioned in Annexure-H, for any of the years covered by the statements

7. **Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – J of the enclosed financial statements.

8. **Accounting for Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

(Rs. in lakhs except units are in actual numbers)

Particulars	As At March 31, 2024	As At March 31, 2023	As At March 31, 2022
WDV as per Companies Act, 2013 (A)	307.33	321.57	326.75
WDV as per Income tax Act, 1961 (B)	335.50	345.35	343.55
Difference in WDV (A-B)	-28.17	-23.78	-16.80
Deferred Tax (Asset)/ Liability '(C)	-7.32	-6.18	-4.37
Gratuity Closing Balance Books (D)	4.00	2.50	2.50
Gratuity Closing Balance Income Tax (E)	0.00	0.00	0.00
Difference Gratuity (D-E)	4.00	2.50	2.50
Deferred Tax (Asset)/ Liability '(F)	1.04	0.65	0.65
Restated Closing Balance of Deferred Tax (Asset)/ Liability	-6.28	-5.53	-3.72
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	-5.53	-3.72	-3.46
Deferred Tax (Assets)/ Liability charged to Profit & Loss	-0.75	-1.81	-0.26

**ANNEXURE - A.1 : Restated Statement of Share Capital**

(Amount in Lakhs except Units in Actual Numbers)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Share Capital</b>			
<b>Authorised Share Capital</b>			
20,00,000 Equity Shares of Rs. 10 Each	200.00	200.00	100.00
<b>Total</b>	<b>200.00</b>	<b>200.00</b>	<b>100.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>			
8,46,500 Equity Shares of Rs. 10 Each	84.65	84.65	73.16
<b>Total</b>	<b>84.65</b>	<b>84.65</b>	<b>73.16</b>

**ANNEXURE – A.2 : Restated Statement of Reserves and Surplus**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Reserves &amp; Surplus</b>			
<b>Securities Premium</b>			
Balance as at the beginning of the year	194.68	109.66	109.66
Addition during the year	-	85.02	-
Issued for Bonus Issue	-	-	-
<b>Balance as at the end of the year</b>	<b>194.68</b>	<b>194.68</b>	<b>109.66</b>
<b>Balance in Statement of Profit &amp; Loss</b>			
Balance as at the beginning of the year	331.77	279.13	172.99
Add: Profit for the year	408.42	174.64	136.12
Add: Transfer to Reserve	(6.36)	(22.00)	(4.97)
Less: Transfer From Reserve	-	-	-
Less :Equity shares issued during the year	-	-	-
Less: Amt transferred to General reserve At the end of the year	-	100.00	25.00
<b>Balance as at the end of the year</b>	<b>733.83</b>	<b>331.77</b>	<b>279.13</b>
<b>General Reserve</b>			
Balance as at the beginning of the year	113.42	13.42	25.00
Add: Amt transferred to General reserve At the end of the year	-	100.00	25.00
Less: Equity shares issued during the year	-	-	36.58
<b>Balance as at the end of the year</b>	<b>113.42</b>	<b>113.42</b>	<b>13.42</b>
<b>Grand Total</b>	<b>1,041.93</b>	<b>639.87</b>	<b>402.22</b>

**Note A.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.**

**ANNEXURE – A.3 :Restated Statement of Long Term Borrowings**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b><u>Secured:</u></b>	<b>222.83</b>	<b>279.88</b>	<b>312.38</b>
<b>From Bank:</b>			
ICICI Bank - Car Loan	4.15	6.80	9.04
IOB Car Loan	31.46	36.20	40.84
IOB Term Loan - 01250351000010	6.42	32.08	57.75
IOB Term Loan - 01250351000018	35.56	38.80	38.76
Loan From GIDC	145.24	165.99	165.99
<b><u>Unsecured:</u></b>			
<b>Loan from NBFC</b>	<b>103.16</b>	<b>6.38</b>	<b>35.78</b>
Bajaj Finance Limited- 418PSBEA883058	-	-	1.06
Bajaj Finance Ltd - P418PPS8208387	24.22	-	-
EDELWEISS FINANCE LTD	-	-	4.89
IDFC First Bank	-	-	2.64
IDFC FIRST BANK ADDITIONAL 20%	-	1.76	3.13
SCB Additional Loan 20%	1.60	4.61	8.56
SCB LOAN A/C NO : 51822296	-	-	1.79
SCB LOAN A/c No :51824612	-	-	2.92
Shri Ram City Union Finance Limited	-	-	10.81
CLIX CAPITAL SERVICES PRIVATE LIMITED	26.16	-	-
Fulletron India Credit Company Limited	22.56	-	-
Yes Bank	28.62	-	-

<b>A.1.2 Details of Shareholding more than 5% of the aggregate shares in the company</b>						
<b>Name of Shareholder</b>	<b>31-Mar-24</b>		<b>31-Mar-23</b>		<b>31-Mar-22</b>	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Vinod Agarwal	6,23,770.00	73.68	6,25,920.00	73.95	5,36,630.00	73.35
Shivali Agarwal	2,20,539.00	26.05	2,20,539.00	26.05	1,94,944.00	26.65
<b>Total</b>	<b>8,44,309.00</b>	<b>99.73</b>	<b>8,46,459.00</b>	<b>100.00</b>	<b>7,31,574.00</b>	<b>100.00</b>
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.						
<b>A.1.3 Shareholding of Promotors</b>						
<b>Name of Shareholder</b>	<b>31-Mar-24</b>		<b>31-Mar-23</b>		<b>31-Mar-22</b>	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Vinod Agarwal	6,23,770.00	73.68	6,25,920.00	73.95	5,36,630.00	73.35
Shivali Agarwal	2,20,539.00	26.05	2,20,539.00	26.05	1,94,944.00	26.65
<b>Total</b>	<b>8,44,309.00</b>	<b>99.73</b>	<b>8,46,459.00</b>	<b>100.00</b>	<b>7,31,574.00</b>	<b>100.00</b>
<b>Note :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure A,B,C,D.						

<b>Current Maturity of long Term Debts</b>	<b>(133.61)</b>	<b>(30.57)</b>	<b>(53.68)</b>
From Bank and NBFC	(133.61)	(30.57)	(53.68)
<b>Loan from Others</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
Fairshine Cosmetic Pvt Ltd	0.50	0.50	0.50
<b>Loan from Related Party</b>	<b>158.74</b>	<b>-</b>	<b>0.36</b>
Vinodkumar Agrawal	92.01	-	-
Shivali Agarwal	66.73	-	0.36
<b>Total</b>	<b>351.62</b>	<b>256.19</b>	<b>295.34</b>

The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

Note A.3.1: There were no re-schedulement or default in the repayment of loans taken by the Company.

Note A.3.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

Note.A.3.3 : Secured loan (car loan) is from ICICI Bank and carry interest rate of 8.50%.

Note.A.3.4: Term loan from IOB Bank under GECL carrying interest rate of 7.85% at monthly rest secured by mortgage of company Land & building & immovable properties of directors. Also secured by personal guarantee by directors.

Note.A.3.5: Current Maturity of Long term debt is shown as other current liability in ANNEXURE – A.5.

Note.A.3.6: Car loan is from IOB Bank and carry interest rate of 7.55%.

#### ANNEXURE – A.4 : Restated Statement of Long-Term Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision For Gratuity	4.00	2.50	2.50
<b>Grand Total</b>	<b>4.00</b>	<b>2.50</b>	<b>2.50</b>

**Note A.4.1** : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

#### ANNEXURE – A.5 : Restated Statement of Short Term Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b><u>Secured:</u></b>			
<b><u>From Bank</u></b>			
IOB Bank - Cash Credit Account	671.15	544.45	225.59
Bill Discounting-IOB	80.58	165.42	81.59
MODIFI - IOB	-	106.42	168.35
Packing Credit- IOB	92.95	188.61	98.41
<b><u>Unsecured:</u></b>			
<b><u>Loan from Others</u></b>			
Udaan Capital	-	25.20	39.63
Sme Card Cdcc	-	-	3.92
Oxyzo Financial Services Pvt.Ltd.	-	-	23.77
<b>Current Maturity of long Term Debts</b>	<b>133.61</b>	<b>30.57</b>	<b>53.68</b>
<b>Total</b>	<b>978.29</b>	<b>1,060.67</b>	<b>694.94</b>

Note A.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

Note A.5.2 : Cash credit , PC/PCFC , FDDBP/FDUBD/RDBF/RUBF buyers credit & bill discounting facilities are secured agt hypothecation of inventories and book debts and further secured by mortgage of company Land & building & immovable propertiey of directors of the company carrying rate of interest 9% to 13%.Also secured by director personal guaranty.

Note A 5.3: Payable on SME Card - IOB is unsecured and carry rate of interest 2 % to 3 % p. m.

Note A 5.4: Current maturity of long term debts represent term loan from IOB bank under GECL scheme and other secured loan become due in next

Note A 5.5: Unsecured loan from Udaan Capital at the rate of interest of 18% p.a shall have the paramount lien and right to set off against all other present or future monies, securities, deposits, assets,properties belonging to the Borrower's credit. The facility secured by PDC's and D P Notes.

#### ANNEXURE – A.6 : Restated Statement of Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Trade Payables due to</b>			
- Micro and Small Enterprises	406.35	1,153.90	914.83
- Others	1,456.38	569.09	980.16
<b>Total</b>	<b>1,862.73</b>	<b>1,722.99</b>	<b>1,894.99</b>

**Note A.6.1** : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**Note A.6.2** : Trade Payable due from Invoice date to others are subject to Third Party Confirmation.

**ANNEXURE – A.3.3**
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS (Amount in Lakhs except Units in Actual Numbers)**

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on
							(as per Books) 31.03.2024
<b>(Indian Oversea Bank)</b>	Cash Credit	400.00	<b>Primary Security:</b> For Cash Credit and export packing credit (EPC): Hypothecation of entire stock, book debts and other current assets of the company both Present and future For FDDBP/FDUBD (Foreign bill discounting limit on DP) and Letter of credit (LC)	Cash Credit -RLLR (9.10) +0.40 (SP)+ 1.40 (RP) i.e. 10.90 %.	On Demand	NA	886.66
	Export Packing Credit (EPC)	400.00	Documents of title goods, accepted hundies and entire current assets of the company, both present and future. WCTL - GECL-1 and GECL-2	EPC -RLLR (9.10) +0.40 (SP) + 0.20 (RP) i.e.9.70%.	On Demand	NA	
	FDDBP/ FDUBD (Sub – Limit of CC) Letter of Credit	(400.00)	Rank Second charge with the existing credit facilities in terms of cash flows and securities with charge on assets finance under the scheme. The WCTL under guaranteed emergency credit line (GECL) is covered under the emergency credit line guarantee scheme of NCGTC	FDBP/FDUB- As per circular in force	On Demand	NA	
	LC (Letter f credit	100.00	<b>Collateral Security for all facilities:</b> 1) Exclusive charge by way of equitable mortgage over factory land and building being lease hold land admeasuring about 230.86 Sq. mtr. bearing plot no C-8 in the name of Mr. Vinod Agrawal	LC -As per circular in force	On Demand	NA	
	WCTL - GECL - 1	38.50	2) Exclusive charge by way of equitable mortgage of residential property situated at I/802, 9th Floor, shilalekh sahibaug, Ahmedabad	GECL - RLLR (9.10%) + Spead (1%) = 10.10% subject to maximum of 9.25% at monthly rest	GECL-1 will be repaid within 36 months with an initial holiday period of 12 months	GECL - 1 - 12 months	
	WCTL - GECL - 2	38.50	3) Exclusive charge by way of equitable mortgage of property situated at 1st floor, Shoppers plaza - 5, opposite Municipal Market, C G Road Ahmedabad 4) Exclusive charge by way of equitable mortgage of property at K- 203, 2nd floor, akansha sayva swaraj, at jagatpur, ghatlodia, Ahmedabad <b>Personal Guarantees of:</b> Mr. Vinod B Agrawal Mrs. Shivali V Agrawal		GECL - 2 will be repaid within 36 mothly installments with an initial holiday period of 24 months.	GECL - 2 - 24 Months	
<b>Indian overseas bank</b>	Car Loan	42.00	Hypothecation on Vehicle.	7.55%, 7th of every month	Repayable on monthly equitable installment for 84 month	NIL	31.46
<b>ICICI Bank Ltd</b>	Car Loan	12.68	Hypothecation on Vehicle.	8.50%	Repayable on monthly equitable installment for 60 month	NIL	4.15
<b>Total</b>							<b>922.27</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.3.4**
**STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS (Amount in Lakhs except Units in Actual Numbers)**

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on
							(as per Books) 31.03.2024
<b>SCB Additional Loan 20%</b>	Business Loan	10.30	NIL	9.25%	On Demand	NIL	1.60
<b>CLIX CAPITAL SERVICES PRIVATE LIMITED</b>	Business Loan	35.15	NIL	18.00%	On Demand	NIL	26.16
<b>Fulletron India Credit Company Limited</b>	Business Loan	35.25	NIL	16.50%	On Demand	NIL	22.56
<b>Yes Bank</b>	Business Loan	50.00	NIL	15.50%	On Demand	NIL	28.62
<b>IDFC First Bank</b>	Business Loan	25.50	NIL	9.25%	On Demand	NIL	0.00
<b>Bajaj Finance Ltd</b>	Business Loan	34.48	NIL	16.55%	On Demand	NIL	24.22
<b>GIDC - Ankleshwar</b>	Loan against Allotment of land	165.99	Land at GIDC -ankelshwar	10.50%	Repayable in 40 quarterly Installment	2 years	145.24
<b>Fairshine Cosmetics Pvt Ltd (Formerly: Finecare Cosmetic Pvt Ltd)</b>	Business Loan	NIL	NIL	NIL	On Demand	NIL	0.50
<b>Vinodkumar Agrawal</b>	Business Loan	NIL	NIL	NIL	On Demand	NIL	92.01
<b>Shivali Agarwal</b>	Business Loan	NIL	NIL	NIL	On Demand	NIL	66.73
<b>Total</b>							<b>407.64</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

<b>ANNEXURE – A.7 : Restated Statement of Other Current Liabilities</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
- Statutory Dues Payable	3.42	3.38	4.96
- Expenses Payable	0.86	0.79	1.20
- Salary & Wages Payable	10.87	12.17	-
- Advance from Customers	12.10	9.45	11.45
<b>Grand Total</b>	<b>27.25</b>	<b>25.79</b>	<b>17.61</b>
<b>Note A.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>ANNEXURE – A.8 : Restated Statement of Short Term Provisions</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Provision for Income Tax	153.13	68.84	52.86
Provision for Audit Fees	2.50	2.00	3.03
<b>Grand Total</b>	<b>155.63</b>	<b>70.84</b>	<b>55.88</b>
<b>Note A.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>*Provision for Income Tax is calculated in Statement of Tax Shelter considering the Allowance &amp; Disallowance of Income &amp; Expenditure in the Income Tax Return filed by the company.</b>			
<b>ANNEXURE – A.10 : Restated Statement of Non-Current Investments</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Un-quoted Securities and Investments</b>			
Equity Share of Chinmay Chemical private Limited	56.67	65.57	63.58
<b>Grand Total</b>	<b>56.67</b>	<b>65.57</b>	<b>63.58</b>
<b>Note A.10.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>ANNEXURE – A.11 : Restated Statement of Deferred Tax (Assets)/Liabilities (Net)</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Deferred Tax Liability</b>			
Related to Fixed Assets	-	-	-
Related to Gratuity Provisions	1.04	0.65	0.65
<b>Total (a)</b>	<b>1.04</b>	<b>0.65</b>	<b>0.65</b>
<b>Deferred Tax Assets</b>			
Related to Fixed Assets	7.32	6.18	4.37
<b>Total (b)</b>	<b>7.32</b>	<b>6.18</b>	<b>4.37</b>
<b>Net Deferred Tax (Asset)/Liability [(b)-(a)]</b>	<b>(6.28)</b>	<b>(5.53)</b>	<b>(3.72)</b>
<b>Note A.11.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>ANNEXURE – A.12 : Restated Statement of Long Term Loans &amp; Advances</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Deposits</b>			
Security deposite with Govt. Public Body Others	14.25	14.25	14.25
Naroda Enviro Projects Ltd-Deposit	9.25	9.25	9.25
Society for Clean Earth ( Deposit )	5.00	5.00	5.00
Long term Loans & Advances (Advances to Related Parties)	205.26	157.89	159.60
<b>Grand Total</b>	<b>219.51</b>	<b>172.14</b>	<b>173.85</b>
<b>Note A.12.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			

## ANNEXURE – A.9 : Restated Statement of Property, Plant and Equipment

As At 31.03.2024

	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at April, 1 2023	Additions	Deletion/Sale	Balance as at March 31, 2024	Balance as at April, 1 2023	Depreciation charge for the year	Deletion-Sale/Loss	Balance as at March 31, 2024	Balance as at March 31, 2023	Balance as at March 31, 2024
<b>A. Property Plant &amp; Equipment</b>										
Computer & Printers	4.09	0.83	0.00	4.92	3.71	0.22	0.00	3.92	0.39	1.00
Electricals Fitting	0.54	0.00	0.00	0.54	0.52	0.00	0.00	0.52	0.02	0.02
Furnitures and Fixtures	10.63	0.06	0.00	10.69	9.41	0.25	0.00	9.66	1.22	1.03
Plant & Machinery	108.79	6.53	0.00	115.32	62.62	9.79	0.00	72.41	46.17	42.91
Factory Shed	0.48	0.00	0.00	0.48	0.31	0.02	0.00	0.33	0.17	0.15
Vehicles	75.39	0.00	0.00	75.39	38.92	11.39	0.00	50.31	36.47	25.08
Land	237.13	0.00	0.00	237.13	0.00	0.00	0.00	0.00	237.13	237.13
<b>Total</b>	<b>437.05</b>	<b>7.43</b>	<b>0.00</b>	<b>444.48</b>	<b>115.48</b>	<b>21.67</b>	<b>0.00</b>	<b>137.15</b>	<b>321.57</b>	<b>307.33</b>
<b>B. Intangible Assets</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>
Software	2.37	0.00	0.00	2.37	2.37	0.00	0.00	2.37	0.00	0.00
<b>Total</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>439.42</b>	<b>7.43</b>	<b>0.00</b>	<b>446.85</b>	<b>117.85</b>	<b>21.67</b>	<b>0.00</b>	<b>139.52</b>	<b>321.57</b>	<b>307.33</b>

As At 31.03.2023

	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at April, 1 2022	Additions	Deletion/Sale	Balance as at March 31, 2023	Balance as at April, 1 2022	Depreciation charge for the period	Adjustments/ Deletion-Sale/Loss	Balance as at March 31, 2023	Balance as at April, 1 2022	Balance as at March 31, 2023
<b>A. Property Plant &amp; Equipment</b>										
Computer & Printers	4.09	0.00	0.00	4.09	3.47	0.24	0.00	3.71	0.63	0.39
Electricals Fitting	0.54	0.00	0.00	0.54	0.51	0.01	0.00	0.52	0.03	0.02
Furnitures and Fixtures	10.47	0.16	0.00	10.63	9.09	0.32	0.00	9.41	1.38	1.22
Plant & Machinery	89.76	19.03	0.00	108.79	54.61	8.01	0.00	62.62	35.15	46.17
Factory Shed	0.48	0.00	0.00	0.48	0.29	0.02	0.00	0.31	0.19	0.17
Vehicles	74.74	0.65	0.00	75.39	22.50	16.42	0.00	38.92	52.24	36.47
Land	237.13	0.00	0.00	237.13	0.00	0.00	0.00	0.00	237.13	237.13
<b>Total</b>	<b>417.21</b>	<b>19.84</b>	<b>0.00</b>	<b>437.05</b>	<b>90.46</b>	<b>25.02</b>	<b>0.00</b>	<b>115.48</b>	<b>326.75</b>	<b>321.57</b>
<b>B. Intangible Assets</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>
Software	2.37	0.00	0.00	2.37	2.37	0.00	0.00	2.37	0.00	0.00
<b>Total</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>419.58</b>	<b>19.84</b>	<b>0.00</b>	<b>439.42</b>	<b>92.83</b>	<b>25.02</b>	<b>0.00</b>	<b>117.85</b>	<b>326.75</b>	<b>321.57</b>

Note: Capital Work in Progress has been converted in to Buildings and Machinery &amp; Equipments during the year hence we have adjusted that amount in the respected head at the end of Financial year

As At 31.03.2022

	Gross Block				Accumulated Depreciation				Net Block	
Particulars	Balance as at April 1, 2021	Additions	Deletion/Sale	Balance as at March 31, 2022	Balance as at April 1, 2021	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at March 31, 2022	Balance as at April 1, 2021	Balance as at March 31, 2022
<b>A. Property Plant &amp; Equipment</b>										
Computer & Printers	4.09	0.00	0.00	4.09	3.04	0.43	0.00	3.47	1.06	0.63
Electricals Fitting	0.54	0.00	0.00	0.54	0.50	0.01	0.00	0.51	0.04	0.03
Furnitures and Fixtures	10.47	0.00	0.00	10.47	8.63	0.46	0.00	9.09	1.84	1.38
Plant & Machinery	77.43	12.33	0.00	89.76	47.44	7.17	0.00	54.61	29.99	35.15
Factory Shed	0.48	0.00	0.00	0.48	0.27	0.02	0.00	0.29	0.21	0.19
Vehicles	29.93	48.75	3.94	74.74	14.00	8.50	0.00	22.50	15.93	52.24
Land	0.00	237.13	0.00	237.13	0.00	0.00	0.00	0.00	0.00	237.13
<b>Total</b>	<b>122.94</b>	<b>298.21</b>	<b>3.94</b>	<b>417.21</b>	<b>73.87</b>	<b>16.59</b>	<b>0.00</b>	<b>90.46</b>	<b>49.07</b>	<b>326.75</b>
<b>B. Intangible Assets</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>2.20</b>	<b>0.17</b>	<b>0.00</b>	<b>2.37</b>	<b>0.17</b>	<b>0.00</b>
Software	2.37	0.00	0.00	2.37	2.20	0.17	0.00	2.37	0.17	0.00
<b>Total</b>	<b>2.37</b>	<b>0.00</b>	<b>0.00</b>	<b>2.37</b>	<b>2.20</b>	<b>0.17</b>	<b>0.00</b>	<b>2.37</b>	<b>0.17</b>	<b>0.00</b>
<b>Grand Total</b>	<b>125.31</b>	<b>298.21</b>	<b>3.94</b>	<b>419.58</b>	<b>76.07</b>	<b>16.76</b>	<b>0.00</b>	<b>92.83</b>	<b>49.24</b>	<b>326.75</b>

ANNEXURE – A.13 : Restated Statement of Other Non Current Assets			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Preliminary Expenses	-	-	-
<b>Grand Total</b>	-	-	-
<b>Note A.13.1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.			
ANNEXURE – A.14 : Restated Statement of Inventories			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Closing Stock Raw Material	301.79	398.70	165.45
Closing Stock WIP	648.38	393.02	204.65
Closing Stock of Finished Goods	807.87	73.71	64.20
Stock in Trade (Goods Purchases for Resale)	-	20.38	41.90
<b>Grand Total</b>	<b>1,758.04</b>	<b>885.81</b>	<b>476.20</b>
<b>Note A.14.1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C. * Closing Stock is physically verified, reconciled with the stock records & Certified by the management at the end of the reporting period			
ANNEXURE – A.15 : Restated Statement of Trade Receivables			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>	<b>788.96</b>	<b>368.94</b>	<b>41.95</b>
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	155.13	16.60	-
Others	633.83	352.34	41.95
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>	<b>1,284.89</b>	<b>1,815.03</b>	<b>2,186.78</b>
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	15.52	135.34	163.58
Others	1,269.37	1,679.69	2,023.20
<b>Grand Total</b>	<b>2,073.85</b>	<b>2,183.97</b>	<b>2,228.73</b>
<b>Note A.15.1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C. * Trade Receivables are subject to Third Party Confirmation			
ANNEXURE – A.16 : Restated Statement of Cash and Cash Equivalents			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Cash &amp; Cash Equivalents</b>			
Cash in hand	10.14	22.59	0.98
<b>Balances with Banks:</b>			
In Current Accounts	0.04	0.04	0.04
Term Deposit Held as Margin Money	1.00	-	15.69
<b>Grand Total</b>	<b>11.18</b>	<b>22.63</b>	<b>16.72</b>
<b>Note A.16.1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C..			
ANNEXURE – A.17 : Restated Statement of Short Term Loans and Advances			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Loans to Others	21.00	20.00	40.44
Others Advances	-	7.06	10.29
Other Deposit	0.80	0.60	0.60
<b>Grand Total</b>	<b>21.80</b>	<b>27.66</b>	<b>51.33</b>
<b>Note A.17.1 :</b> The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.			



<b>ANNEXURE – A.18 : Restated Statement of Other Current Assets</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Receivables From Governments	27.54	162.03	82.25
Balances With Revenue Authorities (GST,TDS,etc)	6.74	3.71	5.69
Prepaid Expenses	2.79	9.80	7.81
Advance to Trade Payables	14.35	3.05	-
<b>Grand Total</b>	<b>51.42</b>	<b>178.60</b>	<b>95.75</b>
<b>Note A.18.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>ANNEXURE – B.1: Restated Statement of Revenue from Operations</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
- Revenue from Sales			
Export Sales	901.33	2,738.20	2,013.04
Domestic Sales	5,316.72	4,819.04	4,118.89
- Revenue from Other Activities			
Other Operating Revenue	5.27	27.78	22.79
<b>Revenue from operations</b>	<b>6,223.32</b>	<b>7,585.02</b>	<b>6,154.72</b>
<b>Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>SUB ANNEXURE – B.1.A: Bifurcation of Revenue Main Product Wise</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Revenue from operations</b>			
<b>Manufacturing and Trading Goods</b>	<b>6,218.05</b>	<b>7,557.24</b>	<b>6,131.93</b>
Manufactured Goods	5,223.55	6,538.65	3,505.34
Traded Goods	994.50	1,018.59	2,626.59
<b>Other Operating revenue:</b>	<b>5.27</b>	<b>27.78</b>	<b>22.79</b>
Duty Drawback	3.09	17.24	13.84
MEIS Incentive	-	-	-
RODTEP Income	2.17	10.54	8.59
Carting Income	-	-	0.36
<b>Revenue from operations</b>	<b>6,223.32</b>	<b>7,585.02</b>	<b>6,154.72</b>
<b>Note B.1.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses</b>			
<b>SUB ANNEXURE – B.1.B: Bifurcation of Revenue Area Wise</b>			
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>Revenue from operations</b>			
<b>Sales of Products</b>			
<b>Export</b>	<b>901.33</b>	<b>2,738.20</b>	<b>2,013.04</b>
Bangladesh	-	-	-
Brazil	170.38	1,293.31	988.60
China	533.49	734.84	109.79
Korea	-	-	-
Marshall Island	111.83	537.37	782.82
Turkey	81.31	-	97.81
USA	4.32	35.65	34.02
Hungary	-	137.02	-
<b>Domestic</b>	<b>5,316.72</b>	<b>4,819.04</b>	<b>4,118.89</b>
Gujarat	5,293.29	4,777.66	4,042.83
Maharashtra	23.38	41.38	68.89
Delhi	-	-	4.78
West Bengal	-	-	2.39
Tamilnadu	0.06	-	-
<b>Other Operating revenue:</b>	<b>5.27</b>	<b>27.78</b>	<b>22.79</b>
Duty Drawback	3.09	17.24	13.84
RODTEP Income	2.17	10.54	8.59
Carting Income	-	-	0.36
<b>Revenue from operations</b>	<b>6,223.32</b>	<b>7,585.01</b>	<b>6,154.72</b>
<b>Note B.1.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			

SUB ANNEXURE – B.1.B: Bifurcation of Revenue Area Wise			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Revenue from operations</b>			
<b>Sales of Products</b>			
<b>Export</b>	<b>901.33</b>	<b>2,738.20</b>	<b>2,013.04</b>
Bangladesh	-	-	-
Brazil	170.38	1,293.31	988.60
China	533.49	734.84	109.79
Korea	-	-	-
Marshall Island	111.83	537.37	782.82
Turkey	81.31	-	97.81
USA	4.32	35.65	34.02
Hungary	-	137.02	-
<b>Domestic</b>	<b>5,316.72</b>	<b>4,819.04</b>	<b>4,118.89</b>
Gujarat	5,293.29	4,777.66	4,042.83
Maharashtra	23.38	41.38	68.89
Delhi	-	-	4.78
West Bengal	-	-	2.39
Tamilnadu	0.06	-	-
<b>Other Operating revenue:</b>	<b>5.27</b>	<b>27.78</b>	<b>22.79</b>
Duty Drawback	3.09	17.24	13.84
RODTEP Income	2.17	10.54	8.59
Carting Income	-	-	0.36
<b>Revenue from operations</b>	<b>6,223.32</b>	<b>7,585.01</b>	<b>6,154.72</b>
<b>Note B.1.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>ANNEXURE – B.2 : Restated Statement of Other Income</b>			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
FDR Interest Income	-	0.45	-
Other Interest Income	-	5.03	2.87
Misc. Income	0.01	0.82	0.75
Foreign Exchange Gain & Loss	56.12	45.64	67.32
	-		
<b>Grand Total</b>	<b>56.13</b>	<b>51.94</b>	<b>70.94</b>
<b>Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>ANNEXURE – B.3 : Restated Statement of Cost of Material Consumed</b>			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Stock of Raw Material	398.70	165.45	435.16
Add: Purchases During the Period	4,928.94	5,957.39	2,377.85
Less: Closing Stock of Raw Material	301.79	398.70	165.45
<b>Grand Total</b>	<b>5,025.85</b>	<b>5,724.14</b>	<b>2,647.56</b>
<b>Note B.3.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>ANNEXURE – B.4 : Restated Statement of Change in Inventories of WIP, Finished Goods or Stock in Trade</b>			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Stock of Finished Goods	73.71	64.20	63.56
Opening Stock of WIP	393.02	204.65	227.41
Opening Stock of Traded Goods	20.38	41.90	42.53
Purchases Of Stock In Trade	974.14	946.32	2,568.76
Closing Stock of Finished Goods	807.87	73.71	64.20
Closing Stock of WIP	648.38	393.02	204.65
Closing Stock of Traded Goods	-	20.38	41.90
<b>Grand Total</b>	<b>5.00</b>	<b>769.96</b>	<b>2,591.52</b>
<b>Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
<b>*Note : Finished Goods includes finished goods, packing material &amp; consumable materials)</b>			

ANNEXURE – B.5 : Restated Statement of Employee Benefit Expense			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Salaries, Wages and Incentives	86.69	81.44	100.21
Provident Fund/ESIC	5.11	4.02	4.06
Staff Welfare Expense	1.01	5.43	7.85
Gratuity Exp.	1.50	1.01	1.50
Director Remuneration/ Partners Remuneration	36.00	44.10	32.80
<b>Grand Total</b>	<b>130.31</b>	<b>136.00</b>	<b>146.42</b>
<b>Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
ANNEXURE – B.6 : Restated Statement of Finance costs			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Bank Charges	48.99	66.28	27.79
Interest Expenses	123.19	67.64	65.59
Bank Loan Processing Charges	-	-	1.88
<b>Grand Total</b>	<b>172.18</b>	<b>133.92</b>	<b>95.26</b>
<b>Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
ANNEXURE – B.7 : Restated Statement of Depreciation & Amortization			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Depreciation	21.67	25.02	16.76
<b>Grand Total</b>	<b>21.67</b>	<b>25.02</b>	<b>16.76</b>
<b>Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
ANNEXURE – B.8 : Restated Statement of Other Expenses			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Audit Fees	2.60	3.73	2.00
Advertisement Expenses	1.43	3.61	0.51
Bed Debts	-	24.82	25.97
Clearing & Forwarding Exp.	46.67	168.68	148.09
Commission exp.	0.15	30.56	51.59
Custom Duty Exp.	42.90	56.88	5.30
Effluent Treatment Charges	11.34	12.00	11.00
Electricity Expense	9.13	8.90	6.24
Food & Beverages Exp.	-	1.18	4.95
Freight & Transport Expenses	13.58	9.28	9.23
Import/Export Expense	17.01	6.65	32.48
Labour Charges	-	0.21	0.20
Legal & Professional Expenses	10.88	15.05	13.80
Insurance Expenses	11.65	15.40	8.20
Power & Fuel & Conveyance Exp.	1.89	0.36	0.89
Rent Expenses	10.43	17.54	4.57
Repair & Maintenance	8.12	3.81	6.13
Rate Difference	-	-	13.01
Travelling & Conveyance Expenses	29.15	27.88	11.21
Boiler Exp.	-	25.97	15.32
Jobwork Exp.	107.93	115.64	66.81
Packing Exp.	19.26	22.99	30.55
Other Exp.	19.52	35.79	73.52
<b>Grand Total</b>	<b>363.64</b>	<b>606.93</b>	<b>541.57</b>
<b>Note B.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</b>			
ANNEXURE – B.9 : Restated Statement of Deferred Tax (Assets)/Liabilities			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
WDV as per Companies Act, 2013 (A)	307.33	321.57	326.75
WDV as per Income tax Act, 1961 (B)	335.50	345.35	343.55
Difference in WDV (A-B)	(28.17)	(23.78)	(16.80)
Deferred Tax (Asset)/ Liability (C)	(7.32)	(6.18)	(4.37)
Gratuity Closing Balance Books (D)	4.00	2.50	2.50
Gratuity Closing Balance Income Tax (E)	-	-	-
Difference Gratuity (D-E)	4.00	2.50	2.50
Deferred Tax (Asset)/ Liability (F)	1.04	0.65	0.65
Restated Closing Balance of Deferred Tax (Asset)/ Liability	(6.28)	(5.53)	(3.72)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(5.53)	(3.72)	(3.46)
Deferred Tax (Assets)/ Liability charged to Profit & Loss	(0.75)	(1.81)	(0.26)
<b>Note B.9.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.</b>			

**SUB ANNEXURE – A.6.1 : Ageing of Restated Statement of Trade Payables**

(Amount in Lakhs except Units in Actual Numbers)

Particulars	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	> 180 Days	Total
<b>As at March 31, 2024</b>						<b>1862.694</b>
Trade Payables due to						
- <b>Micro and Small Enterprises</b>	50.44	-28.71	9.16	224.57	150.89	406.349
- Others	-83.27	266.21	374.10	282.43	616.88	1456.345
<b>As at March 31, 2023</b>						<b>1722.985</b>
Trade Payables due to						
- <b>Micro and Small Enterprises</b>	268.223	354.874	184.656	283.218	62.927	1153.898
- <b>Others</b>						
- Promotor/Promotor Group						
- Others	286.535	78.428	6.853	33.328	163.943	569.087
<b>As at March 31, 2022</b>						<b>1894.991</b>
Trade Payables due to						
- <b>Micro and Small Enterprises</b>	364.942	210.143	85.797	241.366	12.583	914.831
- <b>Others</b>						
- Promotor/Promotor Group						
- Others	97.030	54.072	121.393	324.025	383.639	980.160

**SUB ANNEXURE – A.15.1 : Ageing of Restated Statement of Trade Receivables**

(Amount in Lakhs except Units in Actual Numbers)

	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	> 180 Days	Total
<b>As at March 31, 2024</b>	<b>650.75</b>	<b>167.93</b>	<b>217.40</b>	<b>248.79</b>	<b>788.93</b>	<b>2073.80</b>
From						
Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	0.00	0.00	0.00	15.52	155.13	170.65
Others	650.75	167.93	217.40	233.27	633.80	1903.15
<b>As at March 31, 2023</b>	<b>563.38</b>	<b>310.78</b>	<b>151.45</b>	<b>789.42</b>	<b>368.94</b>	<b>2183.97</b>
From						
Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	0.00	0.00	0.00	135.34	16.60	151.94
Others	563.38	310.78	151.45	654.08	352.34	2032.03
<b>As at March 31, 2022</b>	<b>628.00</b>	<b>429.03</b>	<b>421.66</b>	<b>738.71</b>	<b>11.32</b>	<b>2228.72</b>
From						
Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	100.92	36.25	3.19	0.00	0.00	140.36
Others	527.08	392.78	418.47	738.71	11.32	2088.36

**ANNEXURE – E : STATEMENT OF MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT**

**1 Material Regrouping**

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

**2. Material Adjustments :**

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(Amount in Lakhs except Units in Actual Numbers)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>(A) Net Profits After Tax as per audited financial statements (A)</b>	<b>443.90</b>	<b>155.55</b>	<b>128.43</b>
<b>Add/(Less) : Adjustments on account of -</b>			
1) Prepaid Expenses of P.Y. Transfer to Expenses	-7.86	-7.81	0.00
2) Prepaid Expenses and Disallowance Exp. of current Year	9.32	27.14	12.45
3) Provision for Outstanding Expenses Payable	0.00	0.00	0.00
4) Difference on Account of Calculation in Deferred Tax	-0.39	0.00	-0.39
5) Change in Provision for Current Tax	-35.05	-0.24	-2.88
6) Change in Provision of Depreciation	0.00	0.00	0.00
7) Change in Provision of Gratuity	-1.50	0.00	-1.50
8) Change in Provision of Audit Fees	0.00	0.00	0.00
<b>Total Adjustments (B)</b>	<b>-35.48</b>	<b>19.09</b>	<b>7.68</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>408.42</b>	<b>174.64</b>	<b>136.11</b>

**3. Notes on Material Adjustments pertaining to prior years**

**(1) Prepaid Expenses charged to Profit & Loss Account**

Expenses related to Next year were transferred in Prepaid of Current Year

**(2) Provision for Outstanding Expenses**

Provision is made for expenses related to particular period & their corresponding impact is given in next year.

**(3) Difference on Account of Calculation in Deferred Tax**

Depreciation is provided as per normal provisions on the assets in Audited financials Statement of Company of which effect has been given in Restated Financials as per Companies Act due to which, Deferred Tax Calculation got changed. Further Gratuity provision was not made in Audited financials Statement of Company of which effects has been given in Restated Financials as per actuarial report, due to which, Deferred Tax Calculation also got changed.

**(4) Change in Provision for Current Tax**

Provision for Tax as calculated in Audited Financials was on Adhoc Basis, so that the same is recalculated in Restated Financials on actual basis.

**(5) Change in Account of Change in Depreciation Calculation**

Depreciation is provided as per normal provisions on the assets in Audited financials Statement of Company of which effect has been given in Restated Financials as per Companies Act due to which Depreciation amount was changed.

**(6) Change on Account of Provision for Gratuity**

Gratuity Provision is provided in Restated Financials which has not been provided in Audited Financials.

**Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:**

(Amount in Lakhs except Units in Actual)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	<b>1,166.68</b>	<b>722.78</b>	<b>472.74</b>
<b>Add/(Less) : Adjustments on account of change in Profit/Loss</b>	<b>-40.10</b>	<b>1.74</b>	<b>2.63</b>
<b>Total Adjustments</b>	<b>-40.10</b>	<b>1.74</b>	<b>2.63</b>
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per<sup>2020</sup> Restated Financial Statement</b>	<b>1,126.58</b>	<b>724.52</b>	<b>475.37</b>

**ANNEXURE - F : RESTATED STATEMENT OF TAX SHELTERS**

(Amount in Lakhs except Units in Actual Numbers)

Sr. No	Particulars	As at March 2024	As at March 31, 2023	As at March 31, 2022
<b>A</b>	<b>Restated Profit before tax</b>	560.80	240.99	186.57
	Short Term Capital Gain at special rate			
	Normal Corporate Tax Rates (%)	0.26	0.26	0.26
	Short Term Capital Gain at special rate			
	MAT Tax Rates (%)	0.16	0.16	0.16
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>			
	Tax on normal profits	145.81	62.66	48.51
	Short Term Capital Gain at special rate			
	<b>Total</b>	<b>145.81</b>	<b>62.66</b>	<b>48.51</b>
	<b>Adjustments:</b>			
<b>C</b>	<b>Permanent Differences</b>			
	Deduction allowed under Income Tax Act	0.00	0.00	0.00
	Exempt Income	0.00	0.00	0.00
	Allowance of Expenses under the Income Tax Act Section 35	0.00	0.00	0.00
	Disallowance of Income under the Income Tax Act	0.00	0.00	0.00
	Disallowance of Expenses under the Income Tax Act	0.00	0.00	0.00
	<b>Total Permanent Differences</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>D</b>	<b>Timing Differences</b>			
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	-28.17	-23.78	-16.80
	Provision for Gratuity disallowed	0.00	0.00	0.00
	Expense disallowed u/s 43B	0.00	0.00	0.00
	<b>Total Timing Differences</b>	<b>-28.17</b>	<b>-23.78</b>	<b>-16.80</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>-28.17</b>	<b>-23.78</b>	<b>-16.80</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>-7.32</b>	<b>-6.18</b>	<b>-4.37</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>532.63</b>	<b>217.21</b>	<b>169.77</b>
<b>H</b>	Taxable Income/ (Loss) as per MAT	560.80	240.99	186.57
<b>I</b>	<b>Income Tax as per normal provision</b>	153.13	68.84	52.88
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	89.73	37.59	29.11
	<b>Net Tax Expenses (Higher of I,J)</b>	153.13	68.84	52.88
<b>K</b>	Relief u/s 90/91	0.00	0.00	0.00
	<b>Total Current Tax Expenses</b>	<b>153.13</b>	<b>68.84</b>	<b>52.88</b>
<b>L</b>	Adjustment for Interest on income tax/ others	0.00	0.00	0.00
	<b>Total Current Tax Expenses</b>	<b>153.13</b>	<b>68.84</b>	<b>52.88</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

ANNEXURE - H : RESTATED STATEMENT OF CONTINGENT LIABILITIES			
(Amount in Lakhs except Units in Actual Numbers)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1. LC Discounting for which FDR margin money has been given to the bank as Security	0.00	0.00	0.00
2. Capital Commitment	0.00	0.00	0.00
3. Income Tax Demand	46.56	46.56	46.56
4. TDS Demands	0.00	0.00	0.00
5. ESIC Demand	0.00	0.00	0.00
5. GST	88.95	0.00	0.00
<b>Total</b>	<b>135.51</b>	<b>46.56</b>	<b>46.56</b>
ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS			
(Amount in Lakhs)			
Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Restated PAT as per P& L Account	408.42	174.64	136.12
<b>EBITDA</b>	<b>649.53</b>	<b>283.70</b>	<b>200.14</b>
<b>Actual No. of Equity Shares outstanding at the end of the period **</b>	<b>8.47</b>	<b>8.46</b>	<b>7.32</b>
Weighted Average Number of Equity Shares at the end of the Period (Note -2) **	102.76	102.76	88.81
Net Worth	1,126.58	724.52	475.37
Current Assets	3,916.29	3,298.66	2,868.73
Current Liabilities	3,023.90	2,880.28	2,663.42
<b>Earnings Per Share</b>			
Basic EPS (Pre Bonus)	48.25	20.63	18.61
Eps (Post Bonus)	3.97	1.70	1.53
<b>Return on Net Worth (%)</b>	<b>36.25%</b>	<b>24.10%</b>	<b>28.63%</b>
<b>Net Asset Value Per Share</b>			
Pre Bonus	133.09	85.59	64.98
Post Bonus	10.96	7.05	5.35
<b>Current Ratio</b>	<b>1.30</b>	<b>1.15</b>	<b>1.08</b>
<b>EBITDA</b>	<b>649.53</b>	<b>283.70</b>	<b>200.14</b>
Nominal Value per Equity share(Rs.)	10.00	10.00	10.00
* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.			
** Units are in division of Lakhs for the purpose of Ratio calculations			
<b>Notes :</b>			
1) The ratios have been calculated as below:			
a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the			
b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.			
c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100			
d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.			
2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity			
3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.			
4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss) - Preliminary Expenses to the extent not written-off.			
5) The figures disclosed above are based on the Restated Financial Statements of the Company.			

# ANNEXURE - J(i) : RESTATED STATEMENT OF RELATED PARTY DISCLOSURES

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

## i. List of Related Parties and Nature of Relationship :

Particulars	Name of Related Parties
a) Key Management Personnel's / Related Party	VINOD BRIJMOHANDAS AGRAWAL : Director
	SHIVALI VINOD AGRAWAL : Director
	ASHOKBHAI DIVANCHANDAGRAWAL : Non Executive Director
	Bikas Tarafdar Chief Financial Officer
b) Associate Concerns	Tanvi Patel Company Secretary
	Chinmay Chemical Private Limied- Group Company
	Square International
c) Subsidiary Company	-

**Note:** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

## ANNEXURE - J(ii) - Transactions carried out with related parties referred to in (i) above, in ordinary course of business:

(Amount in Lakhs except Units in Actual Numbers)

Nature of Transactions	Name of Related Parties	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
1. Directors Remuneration	VINOD AGARWAL	24.00	28.80	21.87
	SHIVALI AGARWAL	12.00	15.30	10.93
<b>Total</b>		<b>36.00</b>	<b>44.10</b>	<b>32.80</b>
2. Loan Received (Paid) during the Year to Related Parties	<b>VINOD AGARWAL</b>			
	Opening Balance	0.00	-1.72	-3.16
	Loan Received during the year	157.68	16.32	22.58
	Loan Paid during the year	65.67	14.60	21.14
	<b>Closing Balance</b>	<b>92.01</b>	<b>0.00</b>	<b>-1.72</b>
	<b>SHIVALI AGARWAL</b>			
	Opening Balance	0.00	0.36	0.00
	Loan Received during the year	76.00	4.03	2.69
	Loan Paid during the year	9.27	4.39	2.33
	<b>Closing Balance</b>	<b>66.73</b>	<b>0.00</b>	<b>0.36</b>
	<b>CHINMAY CHEMICAL PRIVATE LIMITED</b>			
	Opening Balance	157.89	157.89	0.00
	Loan Received during the year	0.00	0.00	0.00
	Loan Given during the year	47.37	0.00	157.89
	<b>Closing Balance</b>	<b>205.26</b>	<b>157.89</b>	<b>157.89</b>
3. Sales	CHINMAY CHEMICAL PRIVATE LIMITED	25.67	59.17	88.99
	SQUARE INTERNATIONAL	0.00	0.00	37.16
<b>Total</b>		<b>25.67</b>	<b>59.17</b>	<b>126.15</b>
4. Purchase	CHINMAY CHEMICAL PRIVATE LIMITED	135.47	0.00	10.32
	SQUARE INTERNATIONAL	348.39	807.51	13.94
5. Job Work Charges	CHINMAY CHEMICAL PRIVATE LIMITED	102.16	122.29	96.74

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.



**ANNEXURE - J(iii) - Outstanding Balance as at the end of the year**

**(Amount in Lakhs except Units in Actual Numbers)**

	<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>1. Payables</b>	Square International	141.01	140.70	0.00
	Chinmay Chemical Pvt.Ltd.	0.00	0.00	0.00
<b>Total</b>		<b>141.01</b>	<b>140.70</b>	<b>0.00</b>
	<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>2. Receivables</b>	Chinmay Chemical Pvt.Ltd.	170.65	151.94	140.38
	Square International	0.00	0.00	23.22
<b>Total</b>		<b>170.65</b>	<b>151.94</b>	<b>163.60</b>
	<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>3. Loans and Advances</b>	Shivali Agarwal	0.00	0.00	0.00
	VinodKumar Agarwal	0.00	0.00	1.72
	Chinmay Chemical Pvt.Ltd.	205.26	157.89	157.89
<b>Total</b>		<b>205.26</b>	<b>157.89</b>	<b>159.61</b>
	<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>4. Unsecured Loan</b>	Shivali Agarwal	66.73	0.00	0.00
	VinodKumar Agarwal	92.01	0.00	0.36
<b>Total</b>		<b>158.74</b>	<b>0.00</b>	<b>0.36</b>
<p>Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.</p>				

## MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

### 1 Material Regrouping:

Appropriate adjustments have been made in the Restated Consolidated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

### 2. Material Adjustments:

The Summary of results of restatement made in the Audited Consolidated Financial Statements for the respective period/years and its impact on the profit/(loss) of the Company is as follows:

(Rs. in lakhs except units are in actual numbers)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>(A) Net Profits After Tax as per audited financial statements (A)</b>	<b>443.90</b>	<b>155.55</b>	<b>128.44</b>
<b>Add/(Less): Adjustments on account of -</b>			
1) Prepaid Expenses of P.Y. Transfer to Expenses	-7.86	-7.81	0.00
2) Prepaid Expenses and Disallowance Exp. of current Year	9.32	27.14	12.45
3) Provision for Outstanding Expenses Payable	0.00	0.00	0.00
4) Difference on Account of Calculation in Deferred Tax	-0.39	0.00	-0.39
5) Change in Provision for Current Tax	-35.05	-0.24	-2.88
6) Change in Provision of Depreciation	0.00	0.00	0.00
7) Change in Provision of Gratuity	-1.50	0.00	-1.50
8) Change in Provision of Audit Fees	0.00	0.00	0.00
<b>Total Adjustments (B)</b>	<b>-35.48</b>	<b>19.09</b>	<b>7.68</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>408.42</b>	<b>174.64</b>	<b>136.12</b>

### 3. Explanatory notes to the above restatements to profits made in the audited Consolidated Financial Statements of the Company for the respective years:

#### i) Difference on Account of Change in Deferred Tax

Deferred Tax is not provided as per normal provisions on the assets in Audited Consolidated financials Statement of Company during the year 23-24 of which effect has been given in Restated Consolidated Financials as per Companies Act due to which, Deferred Tax Calculation got changed.

#### ii) Difference on Account of Change in Provision for Income Tax

Provision for Tax is not made in Audited Financials so that the same is recalculated in Restated Consolidated Financials on actual basis.

#### iii) Difference on Account of Provision for Gratuity

Gratuity Provision is provided in Restated Consolidated Financials which has not been provided in Audited Consolidated Financials.

#### iv) Difference on Account of Provision for Prepaid Expenses

Provision for prepaid expenses are not provided in Audited Consolidated financials Statement of Company during current year till March 31, 2024 of which effect has been given in Restated Consolidated Financials Statements.

#### v) Difference on Account of disallowed expenses

The restated Consolidated financials present the effects of disallowed expenses, which were not disclosed in the audited financial statements.

**Reconciliation of Equity****(Rs. in lakhs except units are in actual numbers)**

<b>Particulars</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>	<b>As At March 31, 2022</b>
<b>Equity Share Capital and Reserves &amp; Surplus as per Audited Consolidated Financial Statement</b>	<b>1,166.68</b>	<b>722.78</b>	<b>472.74</b>
Add/(Less): Adjustments on account of charge in Profit/Loss	-40.10	1.74	2.63
Total Adjustments	-40.10	1.74	2.63
<b>Equity Share Capital and Reserves &amp; Surplus as per Restated Consolidated Financials Statement</b>	<b>1,126.58</b>	<b>724.52</b>	<b>475.37</b>

**4. ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:****a. Material Regrouping:**

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

S. No.	Particular	Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	Variation between 2024 & 2023	Reason for Movements
(a)	Current Ratio	Current assets	<b>Current assets:-</b> inventories + trade receivables + cash & cash equipments + short term loans & advances + other current assets	<b>Current liabilities:-</b> short term borrowings + trade payables + other current liabilities + short term provisions	1.30	1.15	1.08	13.09%	Reason for Movements is not Required since Movement is not more than 25%
(b)	Debt-Equity Ratio	Debt / Equity	<b>Debt:-</b> Total Outside Liabilities	<b>Equity:-</b> equity attributable to equity holders	1.18	1.82	2.08	-35.05%	Increase in equity attributable to profit after tax (PAT) for the fiscal year 2024.
(c)	Debt Service Coverage Ratio	Earning available for debt services	<b>Earning available for debt services :-</b> Earning before interest (attributable to long-term borrowing) and tax	<b>Interest + Principal :-</b> interest expenses on borrowings and principal amount of borrowings due during the current year.	3.19	1.22	1.36	161.86%	Due to an increase in earnings available for debt service in Fiscal Year 2024 compared to Fiscal Year 2023.
(d)	Return on Equity Ratio	Net Profit after taxes - Preference Dividend (if any)	<b>Net Profit after taxes - Preference Dividend (if any) :-</b> Profit/(Loss) for the year attributable to equity holders of the parent	<b>Equity shareholders' fund :-</b> equity attributable to equity holders of the parent. Average Equity shareholders' fund = (Opening equity shareholders' fund + closing equity shareholders' fund) / 2	44.13%	29.11%	33.21%	51.59%	Return on Equity has been increased due to increase in profit for Fiscal 2024 with higher growth as compared to increase in equity Shareholder's Fund between Fiscal 2023,& 2024.
(e)	Inventory turnover ratio (in times)	Cost of good sold	<b>Cost of good sold :-</b> purchases + manufacturing expenses + changes in inventories of stock-in-trade	<b>Average Inventory</b>	3.81	9.54	8.42	-60.09%	The variation is attributed to an increase in average inventory resulting from higher inventory levels for the year 2024.
(f)	Trade Receivables turnover ratio (in times)	Revenue from operations	Revenue from operations	<b>Average Trade Receivables</b>	2.92	3.44	3.33	-14.97%	Reason for Movements is not Required since Movement is not more than 25%
(g)	Trade payables turnover ratio (in times)	Purchase Trade payables	<b>Purchase :-</b> Purchases	<b>Average Trade Payables</b>	2.75	3.29	1.29	-16.52%	Reason for Movements is not Required since Movement is not more than 25%
(h)	Net capital turnover ratio (in times)	Revenue from operations	Revenue from operations	<b>Capital employed:-</b> total equity + long term borrowing (including current maturities)	4.75	8.26	9.01	-42.58%	The variation is due to decrease in revenue from operations and increased in Capital employed for the year 2024.
(i)	Net profit ratio	Net profit after tax	Net profit after tax	Revenue from operations	6.56%	2.30%	2.21%	185.03%	Due to increased efficiency in Fiscal 2024 compared to Fiscal 2023.
(j)	Return on Capital employed	Earning before interest & taxes (EBIT)	<b>Earning before interest &amp; taxes (EBIT) :-</b> Profit/(loss) before interest (attributable to long-term borrowing) and tax	<b>Capital Employed:-</b> total equity + long term borrowing (including current maturity). Capital employed is worked out based on average i.e. (opening capital employed + closing capital employed) / 2	52.15%	33.84%	37.22%	54.10%	Return on Capital Employed is increased significantly because sales is increased & other fixed overheads are not increased in that proportion
(k)	Return on investment.	Net Profit after taxes	Net profit after tax	<b>Capital Employed:-</b> total equity + long term borrowing (including current maturity). Capital employed is worked out based on average i.e. (opening capital employed + closing capital employed) / 2	31.14%	19.03%	19.92%	63.66%	Due to increase in profitability with same level of Investment base, this ratio has been significantly increased on year on year basis.

## OTHER FINANCIAL INFORMATION

### SUMMARY OF ACCOUNTING RATIOS

Particulars	FY 2023-2024	FY 2022-2023	FY 2021-2022
Basic EPS (in ₹)	3.97	1.70	1.53
Diluted EPS (in ₹)	3.97	1.70	1.53
Return on Net worth (%)	44.13%	29.11%	33.22%
Net asset value per equity share (in ₹)	10.96	7.05	5.35
Operating EBITDA (in ₹ lakhs)	649.53	283.70	200.14

*Notes: The ratios have been computed as under:*

- 1. Basic and diluted EPS: Restated profit for the year of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with AS 20 - Earnings per share.*
- 2. Return on Net Worth: Net Profit after tax, as restated, divided by net-worth, as restated.*
- 3. Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the weighted average number of equity shares outstanding at the end of the year. Net worth represents the aggregate value of equity share capital, instruments entirely equity in nature and other equity and are based on Restated Financial Information.*
- 4. Operating EBDITA means Profit before depreciation, finance cost, tax and other income.*
- 5. Accounting and other ratios are derived from the Restated Financial Statements.*

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as on March 31, 2024, as derived from our Restated Financial Information. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*", "*Financial Information – Restated Financial Statements*" and "*Risk Factors*" on pages 219, 187 and 30 respectively.

(Amount in ₹ in Lakhs)

Particulars	Pre-Offer	Post-Offer
<b>Borrowings</b>		
Short term debt (A)	978.29	[●]
Long Term Debt (B)	351.62	[●]
<b>Total debts (C)</b>	<b>1,329.91</b>	<b>[●]</b>
<b>Shareholders' funds</b>		
Equity share capital	84.65	[●]
Reserve and surplus – as restated	1,041.93	[●]
<b>Total shareholders' funds</b>	<b>1,126.58</b>	<b>[●]</b>
<b>Long term debt / shareholders' funds</b>	<b>0.31</b>	<b>[●]</b>
<b>Total debt / shareholders' funds</b>	<b>1.18</b>	<b>[●]</b>

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the Year ended on March 31, 2024, March 31, 2023, March 31, 2022. You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled “*Risk Factors*” beginning on page 30 of this Draft Red Herring Prospectus, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Arunaya Organics Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “*Restated Financial Statements*” for Financial Year ended on March 31, 2024, March 31, 2023, March 31, 2022 included in this Draft Red Herring Prospectus beginning on page 187.

### BUSINESS OVERVIEW

Our Company started its operation in dye industry in the year 2010. We engage in trading, distribution, and manufacturing activities of different types of dyes and its intermediaries. A significant portion of our revenue from operations comes from outsourcing job work services to our group company Chinmay Chemicals Private Limited. We supply a comprehensive range of products, including reactive, acid, direct, basic, and solvent dyes, as well as dye intermediates. Our products are available in multiple forms, such as standardized spray-dried and tray-dried powders, granules, crude, reverse osmosis-treated products and salt free. Additionally, we provide specialty performance chemicals tailored for the paper industry and textile dyeing. Our diverse product portfolio is designed to cater to both domestic and international markets. Our production facility, located at C-8, GIDC Estate, Naroda, Ahmedabad- 382330, Gujarat, India, has an annual capacity of approximately 30 metric ton per annum. We are committed to maintaining high standards of quality and environmental management, as evidenced by our ISO 9001:2015 and ISO 14001:2015 certifications.

Our manufacturing facility is located at C-8, GIDC Estate, Naroda, Ahmedabad-382330, Gujarat, India. It is equipped with the essential infrastructure for raw material storage, product manufacturing, and finished goods storage, all supported by quality control measures. For more detailed information about our facility, please refer to the section titled “*Our Business – Manufacturing Facility*” on page 134 of this Draft Red Herring Prospectus. Strategically located in Naroda, our facility leverages proximity to Mundra Port and ICD Ahmedabad, enabling logistics for product distribution, raw material procurement, and seamless access to our customers.

Our Company was incorporated as private limited Company under the name “Arunaya Organics Private Limited”, under the provisions of the Companies Act, 1956 and Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli on July 30, 2010. The status of the Company was changed to public limited, and the name of our Company was changed to “Arunaya Organics Limited” vide Special Resolution dated December 15, 2023. The fresh certificate of Incorporation consequent to conversion was issued on January 01, 2024, by the Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24100GJ2010PLC061794.

We are led by our Individual promoter Vinod Agrawal, who is first generation entrepreneur. He has a significant experience in the field of dyes industry. We are also supported by an experienced and dedicated team of Key Management Personnel who have significant experience in all aspects of our business operations and who have helped grow our operations.

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of March 31, 2024 as disclosed in this Draft Red Herring Prospectus, any significant developments or any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

## KEY FACTORS AFFECTING THE RESULTS OF OPERATION:

Our Company's future results of operations could be affected potentially by the following factors:

1. General economic conditions in India, changes in laws and regulations.
2. Changes in revenue mix, including geographic mix of our revenues.
3. Changes in Fiscal, Economic or Political conditions in India.
4. Increased market fragmentation.
5. Competition with existing and new entrants
6. Technology System and Infrastructure Risks

## OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, "Annexure- D" beginning under Chapter titled "Financial Information" beginning on page 187 of the Draft Red Herring Prospectus.

## RESULTS OF KEY OPERATIONS

The following table sets forth select financial data from our restated financial statement of profit and loss for the financial years ended March 31, 2024, 2023 and 2022 the components of which are also expressed as a percentage of total revenue for such period and financial years

(₹ in lakhs)						
Particulars	March 31, 2024	% of Total Income	For the year ended on March 31, 2023	% of Total Income	March 31, 2022	% of Total Income
Revenue from operation	6,223.32	99.11%	7,585.02	99.32%	6,154.72	98.86%
Other income	56.13	0.89%	51.94	0.68%	70.94	1.14%
<b>Total Revenue</b>	<b>6,279.45</b>	<b>100.00%</b>	<b>7,636.96</b>	<b>100.00%</b>	<b>6,225.66</b>	<b>100.00%</b>
Cost of material Consumed	5,025.85	80.04%	5,724.14	74.95%	2,647.56	42.53%
Changes in inventories of Finished Goods and Stock -in-process	5.00	0.08%	769.96	10.08%	2,591.52	41.63%
Employee Benefits Expenses	130.31	2.08%	136.00	1.78%	146.42	2.35%
Finance Cost	172.18	2.74%	133.92	1.75%	95.26	1.53%
Depreciation and Amortisation Cost	21.67	0.35%	25.02	0.33%	16.76	0.27%
Other Expenses	363.64	5.79%	606.93	7.95%	541.57	8.70%



Particulars	March 31, 2024	% of Total Income	For the year ended on March 31, 2023	% of Total Income	March 31, 2022	% of Total Income
<b>Total Expenses</b>	<b>5,718.65</b>	<b>91.07%</b>	<b>7,395.97</b>	<b>96.84%</b>	<b>6,039.09</b>	<b>97.00%</b>
<b>Profit Before Tax</b>	<b>560.80</b>	<b>8.93%</b>	<b>240.99</b>	<b>3.16%</b>	<b>186.57</b>	<b>3.00%</b>
Share in Associate Profit	0.00	0.00%	1.99	0.02%	2.16	0.03%
<b>Total tax</b>	<b>152.38</b>	<b>2.43%</b>	<b>68.34</b>	<b>0.89%</b>	<b>52.62</b>	<b>0.85%</b>
<b>Profit for the Year (A)</b>	<b>408.42</b>	<b>6.50%</b>	<b>174.64</b>	<b>2.29%</b>	<b>136.12</b>	<b>2.19%</b>

## Review of Restated Financials

**Revenue from Operations:** Revenue from operations mainly consists of sale of manufactured and traded goods by way of 1) Exports Sales; 2) Domestic Sales; and 3) Other Operating Income.

**Other Income:** Other income includes Currency Exchange Gain on Sales of Goods as well as Miscellaneous Income.

**Total Income:** Our total income comprises of Revenue from Operations and Other Income.

**Total Expenses:** Company's total expenses consist of Purchases of material, Changes in inventories of Finished goods, WIP and Stock-in-trade, Employee benefit expenses, finance costs, depreciation and amortization expenses, and other expenses.

**Material Consumption Expenses:** Cost of Raw Materials consists purchase of raw materials required to manufacture Acid dyes and intermediates.

**Changes in inventories of Finished goods, WIP and Stock-in-trade:** Changes in inventories consists of costs attributable to an increase or decrease in inventory levels during the relevant financial period in Finished goods, WIP and Stock-in-trade.

**Employee Benefits Expense:** Employee benefit expense includes Salary & Wages, Provision for Gratuity and Provident Fund, Staff welfare expenses as well as Director Remuneration.

**Finance Cost:** Finance cost includes interest expenses as well as other finance charges.

**Other expenses:** Other expenses mainly consist of Clearing and Forwarding Expenses, Custom Duty, Labour Charges Jobwork Expenses, Packaging Charges, Travelling expenses, Legal and Professional Expenses as well as Insurance Expenses.

## COMPARISON OF FINANCIAL YEAR 2024 WITH FINANCIAL YEAR 2023:

### Revenue from Operations

The Company's revenue from operations the financial year 2023-24 is ₹ 6,223.32 lakhs. This represents ₹ 1,361.70 lakhs or 17.95 % decrease compared to the previous financial year's revenue of ₹ 7,585.02 lakhs. The reason for the decrease in revenue is majorly due to decline in export sales due to less global demand for our industry products.

### Other Income

Other Income in the Financial Year 2023-24 increased by 8.06%, reaching ₹ 56.13 lakhs in comparison to the ₹ 51.94 lakhs incurred in the Financial Year 2022-23. This increase was primarily due to increase in Net gains from foreign currency exchange transactions by ₹ 10.48 lakhs.

### **Consumption and Manufacturing Expenses**

Consumption and Manufacturing expenses for the financial year 2023-24 amounted to ₹ 5,025.85 lakhs constituting 80.04% of total income.

### **Changes in inventories of Finished goods, WIP and Raw materials**

There was an increase of ₹ 5.00 lakhs for Fiscal 2024 as compared to an increase of ₹ 769.96 lakhs for Fiscal 2023, primarily attributable to a higher inventory of Finished goods at the end of Fiscal 2024.

### **Employee Benefits Expenses**

Employee benefit expenses in the Financial Year 2023-24 decreased by 4.18%, reaching ₹ 130.31 lakhs in comparison to the ₹ 136.00 lakhs incurred in the Financial Year 2022-23. This decrease in expenses primarily due to decrease in director's remuneration, staff welfare expenses.

### **Finance Cost**

Finance cost in the Financial Year 2023-24 increased by 28.57%, reaching ₹ 172.18 lakhs in comparison to the ₹ 133.92 lakhs incurred in the Financial Year 2022-23. The increase of the Finance Charges is primarily on account increase in interest expense by ₹ 55.55 lakhs in the FY 2023-24.

### **Depreciation and Amortisation Expenses**

Depreciation and amortization in the Financial Year 2023-24 decreased by 13.39%, reaching ₹ 21.67 lakhs in comparison to the ₹ 25.02 lakhs incurred in the Financial Year 2022-23.

### **Other Expenses**

Other expenses in the Financial Year 2023-24 decreased by 40.09%, reaching ₹ 363.64 lakhs in comparison to the ₹ 606.93 lakhs incurred in the Financial Year 2022-23. This decrease in other expenses was primarily attributed to several factors, including ₹ 13.98 lakhs decrease in Custom Duty expenses, ₹ 30.41 lakhs decrease in commission expenses, ₹ 122.01 lakhs decrease in Clearing and Forwarding expenses, ₹ 25.97 lakhs decrease in Boiler expenses all due to decrease in export during the current financial year.

### **Tax Expenses:**

Tax expenses increased by 122.97%, reaching a total of ₹ 152.38 lakhs in the financial year 2023-24, in contrast to the ₹ 68.34 lakhs in the financial year 2022-23. This notable increase in tax expenses can be primarily attributed to ₹ 84.29 lakhs rise in current tax payments.

### **Profit after Tax (PAT)**

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the decline in total expenses as a percentage of total income. The Profit After Tax (PAT) for the financial year 2023-24 reached ₹ 408.42 lakhs, marking a notable increase from ₹ 174.64 lakhs in the financial year 2022-23. In the financial year 2023-24, PAT constituted 6.50% of the total revenue, in contrast to 2.29% in the fiscal year 2022-23.

## **COMPARISON OF FINANCIAL YEAR 2023 WITH FINANCIAL YEAR 2022:**

### ***Revenue from Operations***

The Company's revenue from operations the financial year 2022-21 is ₹ 7,585.02 lakhs. This represents ₹ 1,430.30 lakhs or 23.24% increase compared to the previous financial year's total revenue of ₹ 6,154.72 lakhs. The reason for the increment is due to increase exports as well as domestics sales.

### ***Other Income***

Other Income in the Financial Year 2022-23 declined by 26.78%, reaching ₹ 51.94 lakhs in comparison to the ₹ 70.94 lakhs incurred in the Financial Year 2021-22. This decrease was primarily due to decline in net gains from foreign currency exchange transactions by ₹ 21.68 lakhs.

### ***Consumption and Manufacturing Expenses***

Consumption and Manufacturing expenses for the financial year 2022-23 amounted to ₹ 5,724.14 lakhs constituting 74.95% of total income.

### ***Changes in inventories of Finished goods, WIP and Raw materials***

There was an increase of ₹ 769.96 lakhs for Fiscal 2023 as compared to an increase of ₹ 2591.52 lakhs for Fiscal 2022, primarily attributable to a higher inventory of Finished goods at the end of Fiscal 2023.

### ***Employee Benefits Expenses***

Employee benefit expenses in the Financial Year 2022-23 decreased by 7.11%, reaching ₹ 136.00 lakhs in comparison to the ₹ 146.42 lakhs incurred in the Financial Year 2021-22. This decrease in employee costs was mainly driven by decrease in salaries and wages, amounting to a total of ₹ 18.77 lakhs.

### ***Finance Cost***

Finance cost in the Financial Year 2022-23 increased by 40.58%, reaching ₹ 133.92 lakhs in comparison to the ₹ 95.26 lakhs incurred in the Financial Year 2021-22. The increase of the Finance Charges is on account increase in Interest Expense by ₹ 2.05 lakhs and Bank charges expenses by ₹ 38.49 lakhs.

### ***Depreciation and Amortisation Expenses***

Depreciation and amortization in the Financial Year 2022-23 increased by 49.29 %, reaching ₹ 25.02 lakhs in comparison to the ₹ 16.76 lakhs incurred in the Financial Year 2021-22. This increase in depreciation was a result of purchase of fixed assets.

### ***Other Expenses***

Other expenses in the Financial Year 2022-23 increased by 12.07%, reaching ₹ 606.93 lakhs in comparison to the ₹ 541.57 lakhs incurred in the Financial Year 2021-22. This increase in other expenses was primarily attributed to several factors, including ₹ 51.58 lakhs increase in custom duty expenses, ₹48.83 lakhs increase in Job Work charges.

### ***Tax Expenses:***

Tax expenses have increased reaching a total of ₹ 68.34 lakhs in the financial year 2022-23, in contrast to the ₹ 52.62 lakhs in the financial year 2021-22. This notable increase in tax expenses can be primarily attributed to

increase in current tax payments.

### ***Profit after Tax (PAT)***

Due to the aforementioned factors, the profit experienced an upswing, primarily driven by the growth in total income as well as in total expenses as a percentage of total income. The Profit After Tax (PAT) for the fiscal year 2022-23 reached ₹174.12 lakhs, contrasting with ₹136.12 lakhs in the fiscal year 2021-22. In the fiscal year 2022-23, PAT constituted 2.29% of the total revenue, in comparison to 2.19% of the total revenue in the fiscal year 2021-22.

### **Cash Flow**

The table below summaries our cash flows from our Restated Financial Information for the period ended March 31, 2024, and for the financial years ended on 2024, 2023, and 2023:

<b>Particulars</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>
Net cash (used in)/ Generated from operating activities	249.69	(214.00)	(83.59)
Net cash (used in)/ Generated from investing activities	(45.90)	(23.61)	(456.74)
Net cash (used in)/ Generated from finance activities	(215.24)	243.52	372.20
Net increase/ (decrease) in cash and cash equivalents	(11.45)	5.91	(0.95)
Cash and Cash Equivalents at the beginning of the period	22.63	16.72	17.67
Cash and Cash Equivalents at the end of period	11.18	22.63	16.72

### ***Cash Flow from/(used in) Operating Activities***

Net cash generated from operating activities Fiscal 2024 was ₹ 249.69 lakhs and our profit before tax that period was ₹ 560.80 lakhs. The difference was primarily attributable to depreciation of ₹ 21.67 lakhs, Interest expense of ₹ 172.18 lakhs, Foreign Exchange Gain of ₹ 56.12 lakhs and thereafter change in working capital of ₹ (401.58) lakhs respectively, resulting in gross cash generated from operations at ₹ 409.18 lakhs. We have income tax paid of ₹ 159.49 lakhs.

Net cash generated from operating activities in the Fiscal 2023 was ₹ (214.00) lakhs and our profit before tax that period was ₹ 242.98 lakhs. The difference was primarily attributable to depreciation of ₹ 25.02 lakhs, Interest expense of ₹ 133.92 lakhs, Foreign Exchange Gain of ₹ 45.64 lakhs and thereafter change in working capital of ₹ (572.17) lakhs respectively, resulting in gross cash generated from operations at ₹ (121.83) lakhs. We have income tax paid of ₹ 92.18 lakhs.

Net cash generated from operating activities in the Fiscal 2022 was ₹ 83.59 lakhs and our profit before tax that period was ₹ 188.73 lakhs. The difference was primarily attributable to depreciation of ₹ 16.76 lakhs, Interest expense of ₹ 95.26 lakhs, Foreign Exchange Gain of ₹ 67.32 lakhs and thereafter change in working capital of ₹ (190.77) lakhs respectively, resulting in gross cash generated from operations at ₹ 178.02 lakhs. We have income tax paid of ₹ 94.43 lakhs.

### ***Cash Flow from/(used in) Investing Activities***

In the Fiscal 2024, our net cash used in investing activities was ₹ (45.90) lakhs, which was primarily for loan and advances.

In the Fiscal 2023, our net cash used in investing activities was ₹ (23.61) lakhs, which was primarily for Purchase

of PPE of ₹ 19.84 lakhs and Interest received of ₹ 5.48 lakhs during the said period.

In the Fiscal 2022, our net cash used in investing activities was ₹ (456.74) lakhs, which was primarily for Purchase of PPE of ₹ 294.27 lakhs, Interest received of ₹ 2.87 lakhs during the said period.

### ***Cash Flow from/(used in) Financing Activities***

In the Fiscal 2024, our net cash generated from financing activities was ₹ (215.24) lakhs. This was primarily due to proceeds from borrowings of ₹ 95.43 lakhs, and interest expense of ₹ 172.18 lakhs.

In the Fiscal 2023, our net cash generated from financing activities was ₹ 243.53 lakhs. This was primarily due to proceeds from borrowings of ₹ 39.15 lakhs, and interest expense of ₹ 133.92 lakhs.

In the Fiscal 2022, our net cash used in financing activities was ₹ 372.20 lakhs. This was primarily due to proceeds from borrowings of ₹ 187.74 lakhs, short term borrowings of ₹ 310.46 lakhs and interest expense of ₹ 95.26 lakhs.

### **Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

#### **1. Unusual or infrequent events or transactions**

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "*Risk Factors*" beginning on page 30 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

#### **3. Income and Sales on account of major product/main activities**

Income and sales of our Company mainly consists of sale of goods of 1)Acid Dye; 2)Basic Dye; 3)Direct or Substantive Dye; 4)Solvent Dye; 5)Intermediate Dye; 6)Reactive Dye.

#### **4. Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

#### **5. 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 titled "*Risk Factors*" beginning on page [●] in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### **6. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

Increases in revenues are by and large linked to increases in volume of business.

**7. Total turnover of each major industry services in which the issuer company operated.**

The Company is in the business of, the relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 122 of this Draft Red Herring Prospectus.

**8. Status of any publicly announced new products or business services.**

Our Company has not announced any new services or business services.

**9. The extent to which business is seasonal.**

Our Company’s business is not seasonal.

**10. Any significant dependence on a single or few suppliers or customers.**

The % of contribution of our Company’s suppliers vis-à-vis the total revenue from operations respectively for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Suppliers as a percentage (%) of total purchases		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Top 5	44.63%	48.21%	34.42%
Top 10	61.87%	60.81%	50.32%

The % of contribution of our Company’s customers vis-à-vis the total revenue from operations respectively for the Fiscal 2024, 2023 and 2022 is as follows:

Particulars	Top Customers as a percentage (%) of total sales		
	Fiscal 2024	Fiscal 2023	Fiscal 2021
Top 5	54.97%	53.56%	61.50%
Top 10	72.21%	77.20%	75.35%

**11. Competitive conditions.**

Competitive conditions are as described under the Chapters titled “*Industry Overview*” and “*Our Business*” beginning on pages 122 and 130, respectively of this Draft Red Herring Prospectus.

## FINANCIAL INDEBTEDNESS

Our Company has availed certain credit facilities in the ordinary course of business to meet our working capital requirements and for general corporate purposes. As of July 31, 2024, our outstanding borrowings aggregated to ₹ 1,183.28 lakhs.

Set forth below, is a brief summary of our Company's borrowings as July 31, 2024, together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

(₹ in Lakhs)				
Category of borrowing	Interest (in % p.a.)	Sanctioned Amount (in Lakhs)	Outstanding amount as on July 31, 2024	Tenure (in Months)
<b>Fund Based:</b>				
<b>Secured(A)</b>				
<b>Working Capital Facilities:</b>				
Indian Overseas Bank	9.25%	38.5	31.01	60 months
GIDC	10.50%	165.99	140.05	120 months
Indian Overseas Bank – Cash Credit	10.10%	600.00	553.73	Repayable on Demand
Export Bill Discount		14.62	14.62	Repayable on Demand
Packing Credit		185.38	185.38	Repayable on Demand
<b>Vehicle Loan:</b>				
ICICI Bank Loan	8.50%	12.68	3.22	60 months
Indian Overseas Bank	7.55%	32.58	29.91	96 months
<b>Total (A)</b>		<b>1,049.75</b>	<b>957.92</b>	
<b>Unsecured (B)</b>				
<b>Business Loan:</b>				
Bajaj Finance Limited	16.55%	34.48	18.53	24 months
Clix Capital Service Private Limited	18.50%	35.15	20.45	24 months
Fulletron India Credit Company Limited	16.50%	35.25	14.64	19 months
Standard Chartered Bank	9.25%	1.29	0.33	04 months
Yes Bank	15.50%	50.00	20.19	24 months
<b>Other Unsecured Loan:</b>				
Fairshine Cosmetics Pvt Ltd		0.50	0.50	Repayable on Demand
Loan from Director		150.72	150.72	Repayable on Demand
<b>Total (B)</b>		<b>307.39</b>	<b>225.36</b>	
<b>Total (A+B)</b>		<b>1,357.14</b>	<b>1,183.28</b>	

\*As certified by peer review auditor, M/s Abhishek Kumar & Associates pursuant to their certificate dated August 21, 2024.

Notes: In the absence of specific sanction limits, outstanding amount of borrowing (including interest payable) has been considered as sanction amount.

### Principal terms of the borrowings availed by our Company:

The details provided below are indicative, and there may be additional terms, conditions and requirements under various documentation executed by our Company in relation to our indebtedness:

1. **Interest:** In terms of the facilities sanctioned to us, the interest rate shall be agreed with the lender at the time of disbursement. Additionally, the interest rate for secured and unsecured loans availed ranges between 7.55% to 18.50 %.

2. **Tenure:** The tenor of the term/vehicle loan loans availed by our Company typically ranges from 4 months to 120 months, some secured working capital loans and other unsecured loans are repayable on demand.
3. **Security:** In terms of the borrowings availed by our Company where security needs to be created, security is created by registered mortgage of on following Immovable Property as mentioned below:

a) *Primary Security* :- Hypothecation of assets i.e. Stocks and receivables created out of bank finance (present and future) & Hypothecation of car purchased out of loan.

b) *Collateral security* :-

1. Plot no. C-8 , Naroda Industrial Estate, GIDC, Ahmedabad, Gujarat 382330
2. Residential Property at 1/802, 9<sup>th</sup> Floor, Shilalekh Apartment, Shahibag, Ahmedabad.
3. Flat no 102, Shoppers Plaza -5, Opposite Municipal Market, CG Road, Ahmedabad.
4. Flat no K203, Tower K, Phase 1, Akanksha Savvy Swaraj, Jagatpur Taluka, Ghatlodia, Ahmedabad.

#### 4. **Guarantee:**

Personal Guarantee of Promoters of the Company Vinod Agrawal and Shivali Agrawal.

#### 5. **Covenants :**

1. Any changes in the capital structure, any schemes of amalgamation/ re-construction must be agreed by the Bank prior to being undertaken.
2. Lend or advance funds to or place deposits with Sisters/Associate/Group concerns or any other concerns or undertakings any guarantee obligation on behalf of any company.
3. The Borrower to intimate the Bank at the time of raising any further loans/ availing any facility/ies from any other bank or Financial Institution.
4. Undertake any new project, implement any scheme of expansion /diversification or capital expenditure or acquire fixed assets if such investments result into breach of financial covenants or diversion of working capital funds to financing of long term assets.
5. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern.

Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increase indebtedness beyond permitted limits



## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal or civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board (“**Materiality Policy**”), in each case involving our Company, Group Companies, Promoters and Directors (the “**Relevant Parties**”).

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on August 21, 2024 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

1. *if the aggregate amount involved in such individual litigation, to the extent quantifiable, exceeds 5% of the Profit after tax of our Company for the last audited financial statement.*
2. *where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but where an adverse outcome in any litigation would materially and adversely affect our Company’s business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.*

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on April 22, 2024, determined that outstanding dues to creditors in excess of 5% of our trade payables for the last audited financial statement. Details of Material Dues to creditors as required under the SEBI ICDR Regulations have been disclosed on our website at [www.arunayaorganics.com](http://www.arunayaorganics.com).

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Red Herring Prospectus.

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI (ICDR) Regulations have been disclosed on our website at [www.arunayaorganics.com](http://www.arunayaorganics.com). It is clarified that for the purposes of the above, pre-litigations notices received by our Company, Group Companies, Promoters, and Directors shall, unless otherwise decided by the Board, not be considered as material litigations until such time that litigations proceedings are initiated before any judicial forum.

#### I.LITIGATIONS INVOLVING OUR COMPANY

##### A. *Litigation filed against our Company – 3*

- Criminal proceedings: Nil
- Outstanding actions by regulatory and statutory authorities: Nil

- Civil Proceedings: Nil
  - Tax Proceedings: 3
- 1) The Company had filed return of income under Section 139(1) of the Income Tax Act, 1961 (“the Act”) for the assessment year 2015-16. Subsequently, a notice under Section 148 of the Act has been issued for reopening of the assessment asking the Company to file return of income. A return of income has been filed against the said notice by the Company declaring the total income of ₹ 39.51 lakhs. The Company had duly responded objecting to the said notice under Section 148 of the Act with supporting documents and explanation which was rejected by the Assessing Officer by an order March 24, 2022 by stating that an assessment under Section 147 read with Section 144B of the Act has been completed by the Assessing Officer by making an addition of ₹ 45 lakhs on the grounds of unexplained cash credit under Section 68 of the Act and accordingly the total income was determined at ₹84.51 lakhs. The Company has filed an Appeal before the Commissioner of Income-Tax (Appeals) under Section 246A of the Act and has deposited an amount of ₹ 5.2 lakhs due to which a stay has been granted by the said Commissioner.

**Stage of Hearing:** The Appeal is pending for further steps/hearing.

- 2) The Company had filed return of income under Section 139(1) of the Income Tax Act, 1961 (“the Act”) for the assessment year 2016-17. Subsequently, a notice under Section 148 of the Act has been issued for reopening of the assessment asking the Company to file return of income. A return of income has been filed against the said notice by the Company declaring the total income of ₹ 24.70 lakhs. The Company had duly responded objecting to the said notice under Section 148 of the Act with supporting documents and explanation which was rejected by the Assessing Officer by an order March 24, 2022 by stating that an assessment under Section 147 read with Section 144B of the Act has been completed by the Assessing Officer by making an addition of ₹ 40 lakhs on the grounds of unexplained cash credit under Section 68 of the Act and accordingly the total income was determined at ₹64.70 lakhs. The Company has filed an Appeal before the Commissioner of Income-Tax (Appeals) under Section 246A of the Act and has deposited an amount of ₹ 4.08 lakhs due to which a stay has been granted by the said Commissioner. The Appeal is pending for further steps/hearing.

**Stage of Hearing:** The Appeal is pending for further steps/hearing.

- 3) The Company is in receipt of Form GST DRC-07 (summary of order) dated July 11, 2024 bearing reference no. ZD240724032750M for the financial year 2017-18 from Superintendent Range-III, Jurisdiction Ghatak, Ahmedabad, wherein it involves an issue of wrong integrated goods and service tax refund claim under Rule 96(10) of CGST Rules, 2017. The demand levied is ₹89 lakhs only against which the Company has filed an Appeal before the Commissioner of Appeals of GST and Central Excise, Ahmedabad. The said Appeal is pending for further consideration.

#### ***B. Litigation filed by our Company – Nil***

- Criminal proceedings: Nil
- Outstanding actions by regulatory and statutory authorities: Nil
- Civil Proceedings: Nil
- Tax proceedings- Nil

## **II. LITIGATIONS INVOLVING OUR PROMOTERS**

**A. Litigation filed against our Promoters – 4**

○ Criminal proceedings: 3

- 1) A company namely Siskaa Chemicals Limited has filed a criminal complaint no.1305 of 2015 before the Metropolitan Magistrate Court at Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 against M/s. Super Industries, a partnership firm, Sweta Dilip Agrawal, Dilip Brijmohan Agrawal and Vinod Brijmohan Agrawal. Siskaa Chemicals Limited has alleged that the said partnership firm have placed an order for chemicals which has been sold and delivered by the said company. The said partnership firm had issued a total of 8 cheques totaling to ₹ 28.25 lakhs against which the said company encashed only 2 cheques amounting to ₹ 8.07 lakhs. The said cheques upon encashment were returned/dishonored with a remark of insufficient funds. The Complaint is pending for further steps/hearing.

**Stage of Hearing:** Issuance of process to accused

**Next date of hearing:** August 27, 2024

- 2) A company namely Siskaa Chemicals Limited has filed a criminal complaint no.1306 of 2015 before the Metropolitan Magistrate Court at Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 against M/s. Super Industries, a partnership firm, Sweta Dilip Agrawal, Dilip Brijmohan Agrawal and Vinod Brijmohan Agrawal. Siskaa Chemicals Limited has alleged that the said partnership firm have placed an order for chemicals which has been sold and delivered by the said company. The said partnership firm had issued a total of 8 cheques totaling to ₹ 28.25 lakhs against which the said company encashed only 3 cheques amounting to ₹ 8.16 lakhs. The said cheques upon encashment were returned/dishonored with a remark of insufficient funds. The Complaint is pending for further steps/hearing.

**Stage of Hearing:** Issuance of process to accused

**Next date of hearing:** August 27, 2024

- 3) A company namely Siskaa Chemicals Limited has filed a criminal complaint no.1307 of 2015 before the Metropolitan Magistrate Court at Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 against M/s. Super Industries, a partnership firm, Sweta Dilip Agrawal, Dilip Brijmohan Agrawal and Vinod Brijmohan Agrawal. Siskaa Chemicals Limited has alleged that the said partnership firm have placed an order for chemicals which has been sold and delivered by the said company. The said partnership firm had issued a total of 8 cheques totaling to ₹ 28.25 lakhs against which the said company encashed only 3 cheques amounting to ₹ 12.02 lakhs. The said cheques upon encashment were returned/dishonored with a remark of insufficient funds. The Complaint is pending for further steps/hearing.

**Stage of Hearing:** Issuance of process to accused

**Next date of hearing:** August 27, 2024

- Outstanding actions by regulatory and statutory authorities: Nil
- Civil Proceedings: Nil
- Tax proceedings- 1

For the Assessment Year 2017-18, Vinod Brijmohan Agrawal had filed original return of income declaring total income of ₹ 10.93 lakhs. According to the Income Tax Department, an information has been received that that Sanjay Shah and Jignesh Shah of Ahmedabad provide accommodation entry of bogus LTCG/ Loss to the beneficiaries using various penny stock companies which are listed in BSE and from the incriminating digital as well as the documentary evidences seized during the search proceedings, it was found that Vinod Brijmohan Agrawal has obtained accommodation entry for sale of shares of the penny stock companies with Sanjay Shah

and Jignesh Shah during the year under consideration. Following this, a notice under Section 148 of the Income Tax Act, 1961 was issued upon Vinod Brijmohan Agrawal who in turn has given detailed representation/response to the said notice. Upon consideration of all facts, representations and records, it has been found by Income Tax Department that Vinod Brijmohan Agrawal has received unexplained cash credit ₹ 86.50 lakhs which has been added to his total income for the Assessment Year 2017-18 thus aggregating the total income to ₹97.43 lakhs. A separate penalty proceedings under Section 274 read with Section 271AAC of the Income Tax Act, 1961 has been initiated. Vinod Brijmohan Agrawal has received a notice of demand under Section 156 of the Income Tax Act, 1961 dated March 30, 2022 demanding a sum of ₹ 107.15 lakhs against which he had filed an appeal before the Commissioner of Income Tax (Appeals) which has been dismissed by an order dated January 12, 2024.

***B. Litigation filed by our Promoter – Nil***

- Criminal proceedings: Nil
- Outstanding actions by regulatory and statutory authorities: Nil
- Civil Proceedings: Nil
- Tax proceedings- Nil

**III. Litigations involving Director(s) of our Company**

***A. Litigation filed against our directors – 4***

- Criminal proceedings: 3

- 1) A company namely Siskaa Chemicals Limited has filed a criminal complaint no.1305 of 2015 before the Metropolitan Magistrate Court at Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 against M/s. Super Industries, a partnership firm, Sweta Dilip Agrawal, Dilip Brijmohan Agrawal and Vinod Brijmohan Agrawal. Siskaa Chemicals Limited has alleged that the said partnership firm have placed an order for chemicals which has been sold and delivered by the said company. The said partnership firm had issued a total of 8 cheques totaling to ₹ 28.25 lakhs against which the said company encashed only 2 cheques amounting to ₹ 8.07 lakhs. The said cheques upon encashment were returned/dishonored with a remark of insufficient funds. The Complaint is pending for further steps/hearing.

**Stage of Hearing:** Issuance of process to accused

**Next date of hearing:** August 27, 2024

- 2) A company namely Siskaa Chemicals Limited has filed a criminal complaint no.1306 of 2015 before the Metropolitan Magistrate Court at Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 against M/s. Super Industries, a partnership firm, Sweta Dilip Agrawal, Dilip Brijmohan Agrawal and Vinod Brijmohan Agrawal. Siskaa Chemicals Limited has alleged that the said partnership firm have placed an order for chemicals which has been sold and delivered by the said company. The said partnership firm had issued a total of 8 cheques totaling to ₹ 28.25 lakhs against which the said company encashed only 3 cheques amounting to ₹ 8.16 lakhs. The said cheques upon encashment were returned/dishonored with a remark of insufficient funds. The Complaint is pending for further steps/hearing.

**Stage of Hearing:** Issuance of process to accused

**Next date of hearing:** August 27, 2024

- 3) A company namely Siskaa Chemicals Limited has filed a criminal complaint no.1307 of 2015 before the Metropolitan Magistrate Court at Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881

against M/s. Super Industries, a partnership firm, Sweta Dilip Agrawal, Dilip Brijmohan Agrawal and Vinod Brijmohan Agrawal. Siskaa Chemicals Limited has alleged that the said partnership firm have placed an order for chemicals which has been sold and delivered by the said company. The said partnership firm had issued a total of 8 cheques totaling to ₹ 28.25 lakhs against which the said company encashed only 3 cheques amounting to ₹ 12.02 lakhs. The said cheques upon encashment were returned/dishonored with a remark of insufficient funds. The Complaint is pending for further steps/hearing.

**Stage of Hearing:** Issuance of process to accused

**Next date of hearing:** August 27, 2024

- Outstanding actions by regulatory and statutory authorities: Nil
- Civil Proceedings: Nil
- Tax Proceedings: 1

For the Assessment Year 2017-18, Vinod Brijmohan Agrawal had filed original return of income declaring total income of ₹ 10.93 lakhs. According to the Income Tax Department, an information has been received that that Sanjay Shah and Jignesh Shah of Ahmedabad provide accommodation entry of bogus LTCG/ Loss to the beneficiaries using various penny stock companies which are listed in BSE and from the incriminating digital as well as the documentary evidences seized during the search proceedings, it was found that Vinod Brijmohan Agrawal has obtained accommodation entry for sale of shares of the penny stock companies with Sanjay Shah and Jignesh Shah during the year under consideration. Following this, a notice under Section 148 of the Income Tax Act, 1961 was issued upon Vinod Brijmohan Agrawal who in turn has given detailed representation/response to the said notice. Upon consideration of all facts, representations and records, it has been found by Income Tax Department that Vinod Brijmohan Agrawal has received unexplained cash credit ₹ 86.50 lakhs which has been added to his total income for the Assessment Year 2017-18 thus aggregating the total income to ₹97.43 lakhs. A separate penalty proceedings under Section 274 read with Section 271AAC of the Income Tax Act, 1961 has been initiated. Vinod Brijmohan Agrawal has received a notice of demand under Section 156 of the Income Tax Act, 1961 dated March 30, 2022 demanding a sum of ₹ 107.15 lakhs against which he had filed an appeal before the Commissioner of Income Tax (Appeals) which has been dismissed by an order dated January 12, 2024.

***B. Litigation filed by our directors – Nil***

- Criminal proceedings: Nil
- Outstanding actions by regulatory and statutory authorities: Nil
- Civil Proceedings: Nil
- Tax Proceedings: Nil

**IV. Litigations involving Group Company of our Company.**

***A. Litigation filed against our Group Company – Nil***

- Criminal proceedings: Nil
- Outstanding actions by regulatory and statutory authorities: Nil
- Civil Proceedings: Nil

- Tax Proceedings: Nil

**B. Litigation filed by our Group Company – Nil**

- Criminal proceedings: Nil
- Outstanding actions by regulatory and statutory authorities: Nil
- Civil Proceedings: Nil
- Tax proceedings- Nil

Nature of case	Number of cases	Amount involved (in ₹ Lakhs)*^
<b>Company</b>		
Direct tax	2	46.56
Indirect tax	1	89.00
<b>Promoters</b>		
Direct tax	1	107.15
Indirect tax	Nil	Nil
Criminal	3	28.25
<b>Directors</b>		
Direct tax	1	107.15
Indirect tax	Nil	Nil
Criminal	3	28.25
<b>Subsidiary</b>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

\*To the extent quantifiable

^As certified by the Statutory Auditor by way of its certificate dated August 21, 2024.

**Outstanding dues to Small Scale Undertakings or any other Creditors**

In terms of our Materiality Policy adopted by the Board vide Resolution dated April 22, 2024 the Board deems all creditors above 5% of the trade payables as per the last audited financial statements as material creditors. As of March 31, 2023 our Company owes the following amounts to small scale undertakings, other creditors, and material creditors.

Sr. No.	Particulars	No. of Creditors	Amount in lakhs (₹ in Lakhs)
1.	<b>Material Creditors</b>	<b>6</b>	<b>1,059.42</b>
	Micro and Small Enterprises	0	0.00
	Other Creditors	6	1,059.42
2.	<b>Other than Material Creditors</b>	<b>92</b>	<b>803.31</b>
	<b>Total</b>	<b>98</b>	<b>1,862.74</b>

The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplier under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). For complete details about outstanding dues to creditors of our Company, please see website of our Company [www.arunayaorganics.com](http://www.arunayaorganics.com)

The information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website: [www.arunayaorganics.com](http://www.arunayaorganics.com) would be doing so at their own risk.

#### **WILFUL DEFAULTER OR FRAUDULENT BORROWERS**

Our Promoters and Directors have not been identified as a willful defaulter or fraudulent borrowers in terms of the SEBI ICDR Regulations as on the date of this Draft Red Herring Prospectus.

#### **Material Developments**

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments Subsequent To the Last Financial Year*" on page 220 of this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER KEY APPROVALS

*In view of the licenses, permissions, approvals, no-objections, certifications, registrations, (collectively “Approvals”) from the Government of India and various statutory, regulatory, governmental authorities listed below, our Company have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Draft Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business. It must be distinctly understood that in granting these Approvals, the Government of India and other authority 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.*

*The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing business activities. For further details in connection with the regulatory and legal framework within which we operate, please refer “Key Regulations and Policies” on page 144 of this Draft Red Herring Prospectus.*

Following statement sets out the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business.

### 1. Approvals for the Offer

#### Corporate Approvals

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on June 17, 2024 authorised the Offer subject to the approval of the shareholders of the Company under Section 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated June 18, 2024 passed in the EGM under Section 62(1)(c) of the Companies Act, 2013 authorised the Offer.

#### In-principle approval from the Stock Exchange

1. The Company has obtained in-principal listing approval from the SME Exchange of the National Stock Exchange of India dated [●].

#### Agreements with CDSL and NSDL

1. The Company has entered into an agreement dated February 27, 2024 with the Central Depository Services (India) Limited (“**CDSL**”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated July 31, 2024 with the National Securities Depository Limited (“**NSDL**”) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
3. The Company’s International Securities Identification Number (“**ISIN**”) is INE0TTG01017.

### 2. Registration under the Companies Act, 2013:



Sr. No.	Authority Granting Approval	Approval / Registration No.	Applicable Laws	Nature of Approvals	Date of Issue	Validity
2.	Registrar of Companies, Registrar of Companies, Ahmedabad	U24100GJ2010PTC061794	Companies Act, 1956	Certificate of Incorporation	July 30, 2010	Valid, till Cancelled
3.	Registrar of Companies, Registrar of Companies, Ahmedabad	U24100GJ2010PLC061794	Companies Act, 2013	Certificate of Incorporation	January 01, 2024	Valid, till Cancelled

### 3. Registration under various Acts/Rules relating to Income Tax and Goods and Service Tax:

Sr. No.	Description	Authority	Registration Number	Date of Issue	Validity
1.	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAICA6804D	September 04, 2011	Valid, till Cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	AHMA10025B	August 23, 2010	Valid, till Cancelled
3.	GST Registration Certificate under the provisions of Central Goods and Services Tax, 2017 (Ahmedabad)	Government of India	24AAICA6804D1Z2	July 06, 2018	Valid, till cancelled

### 4. Registration and Approvals under Statutory and Regulatory Act(s):

Sr. No.	Description	Authority	Registration Number	Date of Issue	Validity
1.	Registration under Employee's Provident Funds and Miscellaneous Provisions Act, 1952*	Ministry of Labour and Employment, Government of India	GJNRD1582987000	April 14, 2017	Valid till cancelled
2.	Registration for Employees State Insurance (under Employees State Insurance Act, 1948)*	Employees State Insurance Corporation	37001020090000306	August 28, 2012	Valid till cancelled
3.	UDYAM Registration Certificate	Ministry of Micro, Small and Medium	UDYAM-GJ-01-0043571	February 02, 2021	Valid till cancelled

Sr. No.	Description	Authority	Registration Number	Date of Issue	Validity
		Enterprises, Government of India			
4.	Registration Certificate under Gujarat Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2019	Amdavad Corporation	Municipal PII/NRDG/4000684/0278575(NARODAGI DC)	April 24, 2024	Valid till cancelled
5.	Certificate of Registration under Gujarat Tax on Profession Trade, Calling and Employment Act, 1987 and the Rules.	Assistant Amdavad Corporation.	Manager, Municipal PRC012290396	May 09, 2024	Valid till cancelled
6.	Certificate of Enrolment under Gujarat Tax on Profession Trade, Calling and Employment Act, 1987 and the Rules.	Assistant Amdavad Corporation.	Manager, Municipal PEC012292006	May 09, 2024	Valid till cancelled
7.	Certificate of Importer-Exporter Code	Ministry of Commerce and Industry, Directorate General of Foreign Trade, Government of India	0810015412	September 29, 2010	Valid till cancelled
8.	License to work a factory under the Factories Act, 1948*	Directorate Safety and Health, State of Gujarat	Industrial 19377	June 28, 2012	December 31, 2024
9.	Registration Certificate under the Factories Act, 1948*	Directorate Safety and Health, State of Gujarat	Industrial 6024/24114/2012	June 28, 2012	December 31, 2024
10.	Certificate of Lifetime Membership of The Gujarat Dyestuff Manufacturers Association*	Gujarat Manufacturers Association	Dyestuff L-975	July 07, 2012	Valid till cancelled
11.	Zed Bronze Certificate issued under MSME Sustainable (ZED) Certification Scheme	Ministry of Micro, Small and Medium Enterprises, Government of India	19012024_204705	January 19, 2024	January 18, 2027
12.	Consent and authorisation under the Water (Prevention and Control of Pollution) Act, 1974, Air	Gujarat Pollution Control Board	AWH-135587	July 10, 2024	June 30, 2029

Sr. No.	Description	Authority	Registration Number	Date of Issue	Validity
	(Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management and Trans Boundary Movement) Rules, 2016*				
13.	Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit*	District Industry Centre, Ahmedabad	24-007-12-42950	July 10, 2012	Valid till cancelled
14.	Certificate issued by Legal Entity Identifier India Limited	Legal Entity Identifier India Limited	3358003OWU4H37A ZHR23	March 13, 2024	March 12, 2025
15.	Certificate of Registration of ISO 14001:2015*	BMS Cert Assessors	E-220424001	April 25, 2019	April 23, 2025
16.	Certificate of Registration of ISO 9001:2015*	BMS Cert Assessors	Q-230327003	February 24, 2020	February 26, 2025


\*Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.

Note: Third Schedule of Notification dated July 08, 2021 by Urban Development and Urban Housing Department bearing reference no. GH/V/68 OF 2021/AGN-102021-100-L1, the Company is not required to obtain an NOC from the Fire Department/Authority.


## 5. Material Approvals not yet applied:

Nil

## 6. INTELLECTUAL PROPERTY RELATED APPROVALS

Sr. No.	Trademark	Class Registration No.	Application No./Trademark No.	Date of Application	Valid Upto
1.	 II Arunaya II Organics Private Limited	1	3144427	December 31, 2015	December 31, 2025

## Pending Intellectual property related approvals Application:

Sr. No.	Trademark	Class No.	Registration	Date of Application	Status of Application
1.	 II Arunaya II Organics Limited	1		June 24, 2024	Pending

## SECTION VIII- OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### Corporate Approvals

The Offer has been authorized by our Board of Directors pursuant to the resolution passed at its meeting dated June 17, 2024 and the Offer has been authorised by our Shareholders pursuant to a special resolution passed at their EGM dated June 18, 2024 authorised the Offer under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary. This DRHP has been approved by our Board for filing with the SEBI and the Stock Exchange pursuant to the resolution passed at its meeting held on August 24, 2024. For further details, see “*The Offer*” on page 60.

The Offer for sale has been authorised by the Promoter Selling Shareholder as follows:

Sr. No.	Name of Promoter Selling Shareholder	Maximum Number of Offered Shares	Consent dated	Letter Date of Corporate Authorisation/ Board Resolution
1.	Shivali Agrawal	Up to 6,00,000	June 17, 2024	NA

#### In-principle Listing Approvals

We have received in principle approval from National Stock Exchange of India Limited vide their letter dated [●] to use the name of National Stock Exchange of India Limited in the Draft Red Herring Prospectus for listing of our Equity Shares on EMERGE Platform of National Stock Exchange of India Limited. National Stock Exchange of India Limited is the Designated Stock Exchange for the purpose of this Offer.

#### Prohibition by SEBI or Governmental Authorities

Our Company, Promoters, Promoter Selling Shareholder, members of the Promoter Group, Directors or persons in control of the Promoters or the Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court on the date of this Draft Red Herring Prospectus.

#### Prohibition By RBI

Neither our Company and Promoter Selling Shareholder nor our Promoters, or Directors have been identified as a wilful defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.

None of our Company, Promoters or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the ‘Master Directions on Fraud-Classification and Reporting by commercial banks and select Fis’ dated July 1, 2016, as updated, issued by the RBI.

#### Compliance under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, or members of the Promoter Group or Promoter Selling Shareholder severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus. Further, in view of the General Circular No. 07/2018 dated *September 06, 2018* and General Circular No. 08/2018 dated *September 10, 2018* issued by the Ministry of Corporate Affairs, Government of India (“MCA”), our Company, our Promoters, Promoter Selling Shareholder and our Promoter Group will ensure compliance with the SBO Rules, upon notification of the relevant forms, as may be applicable to them.

## **Directors associated with the Securities Market**

None of our Directors are, in any manner, associated with securities market. Further there has been no outstanding actions initiated by the SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus except as stated under the chapters titled “*Risk factors*”, “*Our Promoter and Promoter Group*” and “*Outstanding Litigations and Material Developments*” beginning on page 30, 180 and 229 respectively, of this Draft Red Herring Prospectus.

## **Eligibility for the Offer**

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulation; and this Offer is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

This Offer is being made in terms of Regulation 229 (2) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company whose post Offer face value capital will be more than ten crores rupees and up to twenty-five crore rupees, shall Offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”), in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE.

As per Regulation 229(3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations as below:

### **A. The Offer should be a company incorporated under the Companies Act 1956/2013.**

Our Company was incorporated on July 30, 2010 under the Companies Act, 1956.

### **B. The post offer paid up capital of the company (face value) shall not be more than ₹ 25.00 Crores.**

The present paid-up capital of our Company is ₹ 12,27,84,320 and we are proposing Offer up to 61,00,000 equity shares of face value of ₹ 10 each (“equity shares”) of the Company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) (“offer price”) aggregating up to ₹ [●] lakhs comprising a fresh issue of up to 55,00,000 equity shares aggregating up to ₹ [●] lakhs by our company (“fresh issue”) and an offer for sale of up to 6,00,000 equity shares aggregating up to ₹ [●] lakhs by our promoter selling shareholder. Hence, our Post Offer Paid up Capital will be approximately ₹ [●] Lakh which will be less than ₹ 25 Crore.

### **C. Track Record**

Our Company has a track record of three as on date of filing of this Draft Red Herring Prospectus.

### **D. Operating Profits from Operations and Net-worth**

The Company has operating profit (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net worth as on March 31, 2024, is ₹ 1,126.58 Lakhs.

Our Company’s net worth and Operating profits from operations (earnings before depreciation and tax), based on the Restated Financial Statements included in this Draft Red Herring Prospectus for the last three Fiscals ended March 31, 2024, 2023 and 2022 are set forth below:

## **From Restated Financial Statements**

(₹ in Lakhs)

<b>Particulars</b>	<b>March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>March 31, 2022</b>
Profit Before Tax	560.80	242.98	188.73
Add- Depreciation	21.67	25.02	16.76
Add- Interest	123.19	67.64	65.59
Less- Other Income	56.13	51.94	70.94
Operating Profit (earnings before interest, depreciation and tax) from operations	649.53	283.70	200.14
<b>Particulars</b>	<b>March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>March 31, 2022</b>
Share Capital	84.65	84.65	73.16
Add: Reserves & Surplus	1,041.93	639.87	402.22
<b>Net Worth</b>	<b>1,126.58</b>	<b>724.52</b>	<b>475.37</b>

- The Company has not been referred to the Board for Industrial and Financial Reconstruction and/ or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer.
- No petition for winding up is admitted by the court or a liquidator has not been appointed of competent jurisdiction against the Company.
- No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the company.
- The BRLM involved in this issue has not had any instances of their IPO draft offer documents filed with the Exchange being returned in the past 6 months from the date of this draft red herring prospectus.
- Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories.
- 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 NSE EMERGE.
- Our Company has a website: [www.arunayaorganics.com](http://www.arunayaorganics.com).

#### **Other Disclosures:**

- (a) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group Company(ies), subsidiaries companies promoted by the promoters/promoting Company(ies) of the applicant Company in the Draft Red Herring Prospectus.
- (b) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting Company(ies), Company(ies), companies promoted by the promoters/promoting Company(ies) during the past three years. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- (c) We have Disclosed the details of the applicant, Promoters/Promoting Company(ies), Group Company(ies), subsidiaries, companies promoted by the promoters/promoting Company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter “*Outstanding Litigation & Material Developments*” on page 229 of this Draft Red Herring Prospectus.
- (d) We have disclosed all details of the track record of the directors. For Details, refer the chapter “*Outstanding*

*Litigation & Material Developments*” on page 229 of this Draft Red Herring Prospectus.

**As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:**

- (a) The Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the NSE EMERGE platform. NSE is the Designated Stock Exchange.
- (b) To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:
  - Tripartite agreement dated July 31, 2024 with NSDL, our Company and Registrar to the Offer;
  - Tripartite agreement dated February 27, 2024 with CDSL, our Company and Registrar to the Offer;
  - The Company’s shares bear an ISIN: INE0TTG01017
- (c) The entire pre-offer capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- (d) The entire Equity Shares held by the Promoters will be in dematerialised form before opening of the offer for subscription.
- (e) The entire fund requirement is to be funded from the proceeds of the offer, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed offer. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. For details, please refer the chapter “*Objects of the Offer*” on page 91 of this Draft Red Herring Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the offer in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- None of our Promoters or Directors is Promoters or Directors of companies which are debarred from accessing the capital markets by the SEBI.
- Neither our Company nor our Promoters or Directors is a wilful defaulter or Fraudulent Borrower.
- None of our Promoters or Directors has been declared as fugitive economic offender under Economic Offenders Act, 2018.

We further confirm that we shall be complying with all the other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

In accordance with regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay

such application money, with interest as prescribed under section 40 of the Companies Act, 2013.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTICTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER UNISTONE CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, PROMOTER SELLING SHAREHOLDER WILL BE RESPONSIBLE FOR THE STATEMENTS SPECICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, UNISTONE CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED August 24, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

#### **Note:**

All legal requirements pertaining to the Offer will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Ahmedabad in terms of Section 26 and 32 of the Companies Act, 2013.

#### **Disclaimer from our Company, Promoter Selling Shareholder, Directors, and the Book Running Lead Manager**

Our Company, Promoter Selling Shareholder, Directors, and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

#### **Disclaimer in respect of Jurisdiction**



This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lacs, pension funds with minimum corpus of ₹ 2,500 Lacs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, offered against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

#### **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act, 1933**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in 205 Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## **Listing**

Application will be made to the “National Stock Exchange of India Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated StockExchange, with which the Basis of Allotment will be finalized.

The National Stock Exchange of India Limited has given its in-principle approval for using its name in the Offer Document vide its letter no. [●] dated [●], 2024.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Offer Closing Date.

Promoter Selling Shareholder, confirms that they shall provide such reasonable support and extend reasonable cooperation limited to the extent of Promoter Selling Shareholder’s portion of the Offered Shares as may be requested by our Company and the BRLM, to the extent such support and cooperation is required from such Promoter Selling Shareholder in relation to its respective portion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchange within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI.

## **Disposal of Investor Grievances by our Company**

Our Company has constituted a Stakeholders’ Relationship to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and Issue of duplicate shares. For details, please refer to the chapter titled “*Our Management*” beginning on page 165 of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be Ten (10) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Tanvi Patel, as the Company Secretary & Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

**Tanvi Patel**

**Arunaya Organics Limited**

C-8, GIDC Phase-II Naroda, Ahmedabad- 382330, Gujarat, India

**Telephone:** +91 7779018165

**Website:** [www.arunayaorganics.com](http://www.arunayaorganics.com)

**Email id:** [info@arunayaorganics.com](mailto:info@arunayaorganics.com)

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”.

This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

The Company must obtain authentication on the SCORES and comply with the SEBI circular no. *CIR/OIAE/1/2013* dated *December 18, 2014* in relation to redressal of investor grievances through SCORES. As on the date of this Draft Red Herring Prospectus there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

Promoter Selling Shareholder has authorized Company to take all actions in respect of the Offer for Sale; and on its behalf in accordance with Section 28 of the Companies Act, 2013.

**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 –*

- 1. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or*
- 2. 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*
- 3. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name*

*shall be liable for action under section 447.”*

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

**Consents**

Consents in writing of: (a) Directors, the Promoters, Promoter Selling Shareholder, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Banker to the Company and (b) Book Running Lead Manager, Registrar to the Offer, the Syndicate Members\*, Bankers to the Offer/Escrow Bank\*, Public Offer Account Bank(s)\*, Sponsor Bank(s)\* and Refund Bank(s)\*, Underwriter\*, Market Maker\*, Banker to the Offer\*, and Legal Advisor to the Offer, 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 shall not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Draft Red Herring Prospectus and Red Herring Prospectus for filing with the RoC.

*\* The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, M/s Abhishek Kumar & Associates, Chartered Accountants, have provided their written consent to the inclusion of their (1) Examination Report on Restated Financial Statements dated August 21, 2024, (2) Restated Financial Statements dated August 21, 2024, and (3) Report on Statement of Possible Special Tax Benefits dated August 21, 2024 which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus.

### **Expert Opinion**

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

Except the report of the Statutory Auditor on statement of tax benefits and report of the statutory auditor on restated financial statements for Financial Year ended March 2024, 2023 and 2022 and Independent Chartered Engineer Certificate dated August 12, 2024 as included in this Draft Red Herring Prospectus, our Company has not obtained any other expert opinion.

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

### **Stock Market data for our Equity Shares of our Company**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer 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.

## Price Information and track record of past issues handled by the Book Running Lead Manager

Sr. No.	Issuer Name	Issue Size (in Lakhs)	Offer Price	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
<b>Main Board</b>								
1	Ratnaveer Precision Engineering Limited	16503.2	98	September 11, 2023	123.20	16.63% [-0.93%]	19.90% [4.87%]	-0.16% [11.68%]
2	Valiant Laboratories Limited	15246.0	140	October 03, 2023	162.15	44.25% [-2.07%]	23.71% [11.28%]	4.21% [14.33%]
3	BLS E-Services Limited	30929.3	135	February 06, 2024	305.00	5.36% [2.57%]	122.15% [2.49%]	64.86% [12.71%]
4	Platinum Industries Limited	2,3531.7	171	February 27, 2024	225.00	2.05% [-0.34%]	23.30% [0.93%]	150.64% [11.82%]
5	Saraswati Saree Depot Limited	1,6001.3	160	August 20, 2024	194.00	-	-	-
<b>SME Platform</b>								
1	Sahana System Limited	3273.8	135	June 12, 2023	163.00	8.22% [4.21%]	97.67% [6.55%]	321.67% [12.73%]
2	Sangani Hospitals Limited	1516.8	40	August 17, 2023	44.00	-4.55% [4.27%]	-1.25% [1.60%]	7.87% [12.28%]
3	Mono Pharmacare Limited	1484.0	28	September 7, 2023	29.00	40.18% [-0.37%]	69.82% [4.87%]	103.45% [13.33%]
4	Unihealth Consultancy Limited	5654.9	132	September 21, 2023	135.00	4.84% [-1.02%]	-2.92% [8.67%]	-3.70% [10.51%]
5	Manglam Infra & Engineering Limited	2761.9	56	July 31, 2024	106.40	-	-	-

For details regarding the track record of the BRLM, as specified in Circular reference *CIR/MIRSD/1/2012* dated *January 10, 2012* issued by SEBI, please see the website [www.unistonecapital.com](http://www.unistonecapital.com)

Notes:

1. Source: [www.nseindia.com](http://www.nseindia.com) for the price information
2. The CNX NIFTY is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
3. Price on NSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. Wherever 30th/90th/180th calendar day from the listing day is a holiday, the closing data of the next trading day has been considered.
5. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

## Summary statement of price information of past public issues handled by Unistone Capital Private Limited

Financial year	Total no. of IPO*	Total funds Raised (₹ Lakhs)	Nos of IPOs trading at discount on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 30 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at discount on 180 <sup>th</sup> Calendar day from listing date			Nos of IPOs trading at premium on 180 <sup>th</sup> Calendar day from listing date		
			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%
Main Board														
FY 2022-23	1	15498.0	-	-	-	-	1	-	-	-	1	-	-	-
FY 2023-24	4	86210.2	-	-	-	1	1	2	-	-	2	1	-	1
FY 2024-25	1	1,6001.3	-	-	-	-	-	-	-	-	-	-	-	-
SME Platform														
FY 2022-23	2	5652.0	-	-	1	-	-	1	-	-	2	-	-	-
FY 2023-24	5	16926.0	-	-	1	-	2	2	-	-	1	2	-	2
FY 2024-25	1	2761.9	-	-	-	-	-	-	-	-	-	-	-	-

*\*The information is as on the date of the document. The information for each of the financial years is based on issues listed during such financial year.*

## Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the BRLM, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website [www.unistonecapital.com](http://www.unistonecapital.com)

### **Previous Rights and Public Offers**

Except as stated in the section titled “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus, we have not made any previous rights and/or public offers during last 5 years and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Offer is first “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### **Commission and Brokerage on Previous Offers**

Since this is the initial public Offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last 5 years.

### **Capital Issue during the Previous Three Years by Issuer Company and Listed Group Companies / Subsidiaries / Associates**

Neither our Company nor any of our Group Companies/Associates have undertaken any capital Issue or any public or rights Issue in the last three years preceding the date of this Draft Red Herring Prospectus. Further, as of the date of this Draft Red Herring Prospectus our Company has no listed subsidiary.

### **Performance Vis-A-Vis Objects for our Company and/or Listed Subsidiary Company and/or Listed Promoters Company**

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations and this Issue is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as on the date of this Draft Red Herring Prospectus our Company has no listed corporate promoters and no listed subsidiary company.

### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

## **SECTION IX – OFFER RELATED INFORMATION**

### **TERMS OF THE OFFER**

The Equity Shares being Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchange, the RoC and any other authorities while granting their approval for the Offer.

Please note that, in terms of SEBI Circular No. *CIR/CFD/POLICYCELL/11/2015* dated *November 10, 2015* and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. *SEBI/HO/CFD/DCR2/CIR/P/2019/133* dated *November 08, 2019*, and the circular no. *SEBI/HO/CFD/DIL2/CIR/P/2020/50* dated *March 30, 2020* (together, the “UPI Circular”) Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Further vide the said circular Registrar to the offer and Depository Participants have also been authorized to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by the Registrar to the Offer and Depository Participants as and when the same is made available.

### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects including dividend with the existing Equity Shares including rights in respect of dividends and other corporate benefits, if any, declared by after the date of Allotment Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning from page 303 of this Draft Red Herring Prospectus.

### **Authority for the Offer**

This Offer has been authorized by a resolution of the Board passed at their meeting held on June 17, 2024, subject to the approval of shareholders through a special resolution to be passed pursuant to section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Offer by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the EGM of the Company held on June 18, 2024.

### **Mode of Payment of Dividend**

The declaration and payment of dividend, if declared, will be as per the provisions of Companies Act, 2013, SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard, the Memorandum and Articles of Association, and recommended by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. For further details, refer to the section “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on page 186 and 303 respectively of this Draft Red Herring Prospectus.



## **Face Value, Offer Price, Floor Price, and Price Band**

The face value of each Equity Share is ₹ 10 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in all edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Gujarati national daily newspaper, Gujarati being the regional language of Gujarat, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their 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 at the website of the Stock Exchange. The Offer Price shall be determined by our Company in consultation with the BRLM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## **Compliance with SEBI (ICDR) Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our 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 and e-voting, in accordance with the provisions of the Companies Act;
- e) Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- g) Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- h) Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 303 of this Draft Red Herring Prospectus.

## **Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed amongst our Company, the respective Depositories, and the Registrar to the Offer:

- (a) Tripartite agreement dated July 31, 2024, with NSDL, our Company and Registrar to the Offer;
- (b) Tripartite agreement dated February 27, 2024, with CDSL, our Company and Registrar to the Offer;
- (c) The Company's shares bear an ISIN: INE0TTG01017.

### **Market Lot and Trading Lot**

Trading of the Equity Shares will happen in dematerialised form, the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. *CIR/MRD/DSA/06/2012* dated *February 21, 2012* and the same may be modified by NSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Minimum Number of Allottees**

In accordance with Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of Offer.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

The Equity Shares have not been and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be Offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint with benefits of survivorship.

### **Nomination facility to Bidders**

In accordance with Section 72(1) & 72(2) 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(3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance with Section 72(4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of the provisions 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 a transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

### **Withdrawal of the Offer**

Our Company, in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Fresh Issue and the Promoter Selling Shareholder reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of their portion of the Offered Shares at any time before the Offer Opening Date without assigning any reason thereof.

If our Company, in consultation with BRLM may withdraw the Offer any time after the Offer Opening Date but before the allotment of Equity Shares, a public notice within two (2) Working Days of the Offer Closing Date, providing reasons for not proceeding with the Offer shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

The BRLM, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. If our Company and Promoter Selling Shareholder withdraw the Offer after the Offer Closing Date and subsequently decide to proceed with an Offer of the Equity Shares, our Company will file a fresh Draft Offer Document with the stock exchanges where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges with respect to the Equity Shares offered through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus.

### **Bid/Offer Program**

<b>BID/OFFER OPENS ON</b>	[●]day, [●], 2024
<b>BID/OFFER CLOSE ON</b>	[●]day, [●], 2024

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

*\*\*Our Company may, in consultation with the Promoter Selling Shareholder and Book Running Lead Manager, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

The Anchor Investor Bid/ Offer Period will be one Working Day prior to the Bid/ Offer Opening Date i.e., [●], in accordance with the SEBI ICDR Regulations.

- In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the Offer shall be open after at least three working days from the date of filing the Red Herring Prospectus with the Registrar of Companies.
- In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, except as otherwise provided in these regulations, the public offer shall be kept open for at least three working days and not more than ten working days.
- In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, in case of a revision in the price band, the issuer shall extend the bidding (Offer) period disclosed in the Draft red herring prospectus, for a minimum period of three working days, subject to the provisions of sub regulation (1) is not applicable to our company as this is fixed price issue.
- In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar circumstances, our company may, for reasons to be recorded in writing, extend the Offer period disclosed in the Draft Red Herring Prospectus, for a minimum period of one working days, subject to the provisions of sub- regulation 266(1).

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

Event	Indicative Date
Offer Closing Date	[●] day, [●], 2024
Finalization of Basis of Allotment with NSE	On or about, [●] day, [●], 2024
Initiation of Refunds / unblocking of funds from ASBA Account*	On or about, [●] day, [●], 2024
Credit of Equity Shares to demat account of the Allottees	On or about, [●] day, [●], 2024
Commencement of trading of the Equity Shares on NSE	On or about, [●] day, [●], 2024

**\*\* 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 for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB 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. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.**

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the remitter bank0073 (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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

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 NSE is taken within three Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post offer timeline for initial public offerings and has through its circular *SEBI/HO/CFD/TPD1/CIR/P/2023/140* dated *August 09, 2023*, reduced the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days shall be made applicable in two phases i.e., voluntary for all public issues opening on or after September 1, 2023, and mandatory on or after December 01, 2023. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the prevailing date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with listing timelines and activities prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Applications and any revision to the same shall be accepted only between **10.00 a.m. and 5.00 p.m. (IST)** during the Offer Period. On the Offer Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchange. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Offer Closing Date, the Applicants are advised to submit their Applications one day prior to the Offer Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Offer Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Offer Closing Date, as is typically experienced in public offers, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Offer. Applications will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchange. The SCSB's shall unblock such applications by the closing hours of the Working Day.

In terms of the UPI Circulars, in relation to the Offer, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (Offer) period disclosed in the Draft Red Herring Prospectus (in case of a book built offer) or the Offer period disclosed in the prospectus (in case of a fixed price issue), for a minimum period of three working days, subject to the Bid/ Offer Period not exceeding 10 working days.**

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer 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 / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

<b>Scenario</b>	<b>Compensation amount</b>	<b>Compensated on period</b>
Delayed unblock for cancelled / withdrawn/ deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non-Allotted/ partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual Unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST")) during the Bid / Offer Period (except on the Bid / Offer Closing Date) at the Bidding Centers as mentioned on the Application Form except that:

On the Bid / Offer Closing Date:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Applicants can revise or withdraw their Applications prior to the Offer Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Offer will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or the electronic Application Form, for a particular Applicant, the details as per the file received from the 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 Application Form, for a particular ASBA Applicant, the Registrar to the Offer shall ask the relevant SCSB or the member of the Syndicate for rectified data.

### **Minimum Subscription**

In terms of Regulation 260(1) of the SEBI (ICDR) Regulations, 2018, the Offer is 100% underwritten, so this Offer is not restricted to any minimum subscription level. For details of underwriting arrangement, kindly refer the chapter titled “*General Information*” beginning on page 65 of this Draft Red Herring Prospectus.

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Offer through this Offer Document including devolvement of Underwriter within sixty days from the date of closure of the Offer, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “*General Information*” beginning on page 65 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the EMERGE platform of NSE.

### **New Financial Instruments**

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Offer.

### **Market Making**

The shares offered through this offer are proposed to be listed on the NSE EMERGE (SME Platform of NSE) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 65 of this Draft Red Herring Prospectus.

#### **Option to receive Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

#### **Restrictions, if any on transfer and transmission of Equity Shares**

Except for lock-in of the pre-Offer Equity Shares and Promoter’s minimum contribution in the Offer as detailed in the chapter “*Capital Structure*” beginning on page 77 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 303 of this Draft Red Herring Prospectus.

*Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus.*



## OFFER STRUCTURE

This Offer is being made in terms of Regulation 229(2) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post Offer face value capital more than ten crores rupees and up to twenty-five crore rupees. The Company shall Offer specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such this Offer, please see the chapters titled “*Terms of the Offer*” and “*Offer Procedure*” beginning on page 252 and 265 respectively, of this Draft Red Herring Prospectus.

### Offer Structure

Initial public offer of up to 61,00,000 equity shares of face value of ₹ 10 each of the company for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per equity share) (“offer price”) aggregating up to ₹ [●] lakhs comprising a fresh issue of up to 55,00,000 equity shares aggregating up to ₹ [●] lakhs by our company (“fresh issue”) and an offer for sale of up to 6,00,000 equity shares aggregating up to ₹ [●] lakhs by our promoter selling shareholder and such equity shares offered by the promoter selling shareholder, the “offered shares”) (such offer by each of the promoter selling shareholder, the “offer for sale” and together with the fresh issue, the “offer”). The offer and net offer shall constitute [●]% and [●]% respectively of the fully diluted post- offer paid-up equity share capital of our company.

Particulars		QIB's <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders	Market Maker
Number of Equity Shares*		[●] Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Percentage of Offer Available for allocation	Size for	Not more than 50.00% of the Net Offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only	Not less than 15.00% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 35.00% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation	[●] % of the Offer Size

Particulars	QIB's <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders	Market Maker
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion: (a) up to [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only; and; (b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Offer Procedure” beginning on page 265.	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on page 265.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).			
Minimum Bid Size	[●] Equity Shares of Face Value of ₹ 10.00 each	Such number of Equity shares in multiple of [●] Equity shares such that Application size exceeds ₹ 2,00,000	[●] Equity Shares of Face Value of ₹ 10.00 each	[●] Equity Shares of Face Value of ₹ 10.00 each
Maximum Bid Size	Not exceeding the size of the Offer, subject to limits as applicable to the Bidder	Not exceeding the size of the Offer, subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000	[●] Equity Shares

\*Assuming full subscription in the Offer

- Our Company may, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see “Offer Procedure” on page 265.
- Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 253 of the SEBI ICDR Regulations. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be

met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see “Terms of the Offer” on page 252.

- c. Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

**In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.**

In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB.

### **Withdrawal of the Offer**

The Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Offer Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Offer is also subject to obtaining the following:

1. The final listing and trading approvals of National Stock Exchange of India Limited for listing of Equity Shares offered through this Offer on its SME Platform, which the Company shall apply for after Allotment and,
2. In case, the Company wishes to withdraw the Offer after Offer opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.
3. The Book Running Lead Manager, through the Registrar to the Offer, 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-offer advertisements have appeared, and the Stock Exchange will also be informed promptly.
4. If our Company withdraws the Offer after the Offer Closing Date and subsequently decides to undertake a public Offering of Equity Shares, our Company will file a fresh Offer Document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Offer Programme**

<b>OFFER OPENING DATE</b>	[●] day, [●], 2024
<b>OFFER CLOSING DATE</b>	[●] day, [●], 2024

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centres mentioned in the Application Form.

Due to limitation of time available for uploading the application on the Offer Closing Date, Applicants are advised to submit their applications one day prior to the Offer Closing Date and, in any case, not later than 1.00 p.m. IST on the Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Offer Closing Date, as is typically experienced in public offers, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Offer. Applications will be

accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

*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 Offer Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in our Company with the SCSBs, to the extent applicable.*

## Lot Size

SEBI vide circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 (“Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Offer Price (in ₹)	Lot Size (No. of shares)
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Offer in consultation with Book Running Lead Manager, our Company and NSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## OFFER PROCEDURE

*All Applicants 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 the UPI Circulars, notified by SEBI (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI (ICDR) Regulations. The General Information Document shall be made available on the websites of the Stock Exchanges, the Company and the Book Running Lead Manager before opening of the Offer. Please refer to the relevant provisions of the General Information Document which are applicable to this Offer.*

*Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Offer; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Investors applying through the Unified Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) price discovery and allocation; (vii) general instructions (limited to instructions for completing the Application Form); (viii) Designated Date; (ix) disposal of Applications; (x) submission of Application Form; (xi) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an application would be rejected on technical grounds); (xii) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xiii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 01, 2019, the UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by the SEBI. Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, the final reduced timeline of T+3 days using the UPI Mechanism for applications by UPI Bidders has been made voluntary for public issues opening on or after September 1, 2023, and mandatory for public issues opening on or after December 01, 2023 (“T+3 Circular”). This Draft Red Herring Prospectus has been drafted in accordance with UPI Phase II framework and also reflects additional measures for streamlining the process of initial public offers. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the prevailing conditions at the time of the opening of the Offer.*

*Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 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/2022/51 dated April 20, 2022 and SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 05, 2022, all individual bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to ₹ 5,00,000 shall use the UPI Mechanism.*

*This circular has come into force for initial public offers opening on or after May 01, 2022 and the provisions of these circular are deemed to form part of this Draft Red Herring Prospectus.*

*Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

*In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. 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/Offer 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/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. Additionally, SEBI vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 has reduced the time period for refund of application monies from 15 days to four days.*

*Our Company, Promoter Selling Shareholder, and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.*

*Further, our Company, Promoter Selling Shareholder and BRLM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.*

## **PART A**

### **Book Built Process**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from 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 Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Offer 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 Offer 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 BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares dematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable law.**

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020, and press release dated June 25, 2021, and September 17, 2021.**

#### **Phased implementation of UPI for Bids by RIBs as per the UPI Circulars**

SEBI has issued the UPI Circulars in relation to streamlining the process of public offer of, inter alia, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public offer closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 01, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 01, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI, vide its circular no. *SEBI/HO/CFD/DCR2/CIR/P/2019/133* dated *November 08, 2019*, has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. 456

Subsequently, SEBI, vide its circular no. *SEBI/HO/CFD/DIL2/CIR/P/2020/50* dated *March 30, 2020*, extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** Pursuant to SEBI circular no. *SEBI/HO/CFD/TPD1/CIR/P/2023/140* dated *August 09, 2023*, Phase III has been notified, and accordingly the revised timeline of T+3 days has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Circular, once Phase III becomes applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the SEBI circular no. *SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated *March 16, 2021* issued by SEBI, as amended by the SEBI circular no. *SEBI/HO/CFD/DIL2/P/CIR/2021/570* dated *June 02, 2021* and the SEBI circular no. *SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated *April 20, 2022* (the "UPI Streamlining Circulars"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS

alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No. *SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated March 16, 2021 read with SEBI Circular No: *SEBI/HO/CFD/DIL2/CIR/P/2021/570* dated June 02, 2021 read with SEBI Circular No: *SEBI/HO/CFD/DIL2/CIR/P/2022/51* dated April 20, 2022 NPCI vide circular reference no. *NPCI/UPI/OC No. 127/ 2021-22* dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹0.20 million to ₹0.50 million for UPI based ASBA in initial public offerings.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will appoint two 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 Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges, and the BRLM.

### **Bid and Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, our Registered Office an electronic copy of the Bid cum Application Form will also be available for download on the websites of and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/ Offer Opening Date. UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in the case of UPI Bidders.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

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 UPI Bidders 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. For all initial public offerings opening on or after September 01, 2022, as specified in SEBI vide its circular no. *SEBI/HO/CFD/DIL2/P/CIR/2022/75* dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors, i.e. RIB, QIB, NIB and other reserved categories and also for all modes through which the applications are processed. Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:



- (i) RIBs and NIBs (other than NIBs 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) UPI Bidders 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 (not using the UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.
- (iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Bank(s), as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked including details as prescribed in Annexure II of SEBI circular no. *SEBI/HO/CFD/DIL2/CIR/P/2022/51* dated *April 20, 2022*.

For all IPOs opening on or after September 01, 2022, as specified in SEBI circular no. *SEBI/HO/CFD/DIL2/P/CIR/2022/75* dated *May 30, 2022*, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. RIB, QIB and NIB and also for all modes through which the applications are processed.

UPI Bidders must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLM.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Categories	Color*
Resident Indians, including resident QIBs, NIBs, RIBs and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

*\*Excluding Electronic Application Form*

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchange shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to the UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their

respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. *SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated *March 16, 2021* as amended pursuant to *SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570* dated *June 02, 2021* and SEBI circular no. *SEBI/HO/CFD/DIL2/CIR/P/2022/51* dated *April 20, 2022*. In accordance with BSE Circular No. *20220803-40* and NSE Circular No. *25/2022*, each dated *August 03, 2022*, for all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on after the Bid/Offer Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

Pursuant to NSE circular dated August 03, 2022, the following is applicable to all initial public offers opening on or after September 01, 2022:

1. Cut-off time for acceptance of UPI Mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and depository participants shall continue till further notice.
2. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued.
3. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day.
4. Exchanges shall display bid details of only successful ASBA blocked applications i.e. Application with latest status as RC 100 – Block Request Accepted by Investor/ Client.

An Investor, intending to subscribe to this Offer, shall submit a completed 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 stockbroker 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 Offer and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Application Form. It is clarified that Retail Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

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 application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For application submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange.</p> <p>Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Availability of Draft Red Herring Prospectus and Application Forms**

The Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company and Book Running Lead Manager to the Offer as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE [www.nseindia.com](http://www.nseindia.com).

### **Who can apply?**

In addition to the category of Applicants as set forth under "General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Offer", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations, and guidelines, including:

1. Indian national resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our

Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship).

2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals.
3. Companies, corporate bodies, and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents.
4. Mutual Funds registered with SEBI.
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer.
6. Indian Financial Institutions scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable).
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion.
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares.
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional applicant's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI, State Industrial Development Corporations.
11. Foreign Venture Capital Investors registered with the SEBI.
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares.
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares.
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India.
15. Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares.
16. Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares.
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of Government of India published in the Gazette of India.
18. Insurance funds set up and managed by army, navy, or air force of the Union of India.
19. Multilateral and bilateral development financial institution.
20. Eligible QFIs.
21. Insurance funds set up and managed by army, navy or air force of the Union of India.
22. Insurance funds set up and managed by the Department of Posts, India.
23. Any other persons eligible to apply in this Offer, under the laws, rules, regulations, guidelines, and policies applicable to them.

**Applications not to be made by:**

- (a) Minors (except through their Guardians)
- (b) Partnership firms or their nominations
- (c) Foreign Nationals (except NRIs)
- (d) Overseas Corporate Bodies

As per the existing RBI regulations, OCBs cannot participate in this Offer.

**Maximum And Minimum Application Size**

**For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹

2,00,000.

**For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Offer 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 Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

**Basis of Allotment**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

**Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file/ Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSBs to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+ 1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

### Process for generating list of allottees: -

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket/batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th Application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the over subscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non-allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants 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).

For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:

- i. Each successful applicant shall be allotted [●] Equity shares; and
  - ii. the successful applicants out of the total applicants for that category shall be determined by the drawl 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 (2) above.
- c) If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.
  - d) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.
  - e) The above proportionate allotment of shares in an Offer that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
    - As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

- The balance net Issue of shares to the public shall be made available for allotment to Individual applicants other than retails individual investors and other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- The unsubscribed portion of the net Issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

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 Stock Exchange. The Executive Director / Managing Director of 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.

### **Participation by Associates /Affiliates of BRLM and the Market Makers**

The BRLM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this offer in any manner except towers fulfilling their underwriting and market making obligations. However, associates/affiliates of the BRLM/ Underwriters and Market Maker, if any may subscribe to Equity Shares in the offer, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Promoters and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the offer.

### **Bids by eligible NRIs**

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub- Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. 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”) 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 Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the offer.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs bidding on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour). For details of restrictions on investment by NRIs, please refer to the chapter titled “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 302 of this Draft Red Herring Prospectus.

### **Bids by HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta.” Bids by HUFs may be considered at par with Bids from individuals.

### **Bids By FPIs Including FIIs**

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' are subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014, amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

### **Option to Subscribe in the Offer**

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.

The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

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 Applicants:**

Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in the prescribed format.

Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Offer Opening Date.

Copies of the Application Form along with Abridged Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.

Any applicant who would like to obtain the Draft Red Herring Prospectus and/ or the Application Form can obtain the same from our Registered Office.

Applicants who are interested in subscribing for Equity Shares should approach Designated Intermediaries to register their applications.

Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. Retail Individual Applicants have to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.

Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.

Except for applications by or on behalf of the Central or State Government and the Officials appointed by the



courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating in transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Applicants.

The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

### **Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

### **Applications by eligible NRIs on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered 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 sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by 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-offer 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 sectoral 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.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

- a) 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 investor 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, subscribe to 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 a 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 such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014, issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations; and
- b) Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

#### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investors can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. 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 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 Regulations shall continue to be regulated by the VCF 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, Promoter Selling Shareholder and BRLM will not be responsible for loss, if any, incurred by the Applicant.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

### **Applications by Insurance Companies**

In the case of applications made by insurance companies registered with IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "IRDAI Investment Regulations"), as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- i. Equity shares of a company: the lower of 10% of the outstanding Equity Shares (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.
- ii. 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
- iii. 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.

- iv. 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 points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹25,00,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹5,00,000.00 million or more but less than ₹25,00,000.00 million.

Insurance companies participating in this Offer, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason, therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason, therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of ₹ 2,500 Lakhs and pension funds with minimum corpus of ₹ 2,500 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 Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the Book Running Lead Manager may deem fit.

### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of ₹ 2,500 Lakhs (subject to applicable

law) and pension funds with minimum corpus of ₹ 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company, Promoter Selling Shareholder and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for, or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Red Herring Prospectus.

### **Applications by Banking Companies**

In case of Applications 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 Application Form, failing which our Company reserve the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services companies cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Applications by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012, and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered with the IRDA, a certified copy of certificate of registration issued by IRDA must SCSBs. Further, such an account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Applications by Systemically Important Non-Banking Financial Companies** In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time. Offer Procedure for Application Supported by Blocked Account (ASBA) Applicants

In accordance with the SEBI Circular No. *CIR/CFD/POLICYCELL/11/2015* dated *November 10, 2015* all the Applicants have to compulsorily apply through the ASBA Process. Our Company and Promoter Selling Shareholder, and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA

Process are provided on [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

### **Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

- 2) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLM.
- 3) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 200 lakhs. A Bid cannot be submitted for over 60.00% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 200 lakhs.
- 4) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 5) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.
- 6) Our Company, in consultation with the BRLM will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
  - a. maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to Rupees Two Crore.
  - b. minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than Rupees Two crore but up to Rupees Twenty-Five crore, subject to a minimum Allotment of Rupees One Crore per Anchor Investor; and
  - c. in case of allocation above Rupees Twenty-Five crore under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to Rupees Twenty-Five Crore, and an additional 10 Anchor Investors for every additional Rupees Twenty-Five Crore, subject to minimum allotment of Rupees One Crore per Anchor Investor.
- 7) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the BRLM before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- 8) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 9) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, the Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 10) One half of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
- 11) Neither the BRLM or any associate of the BRLM (other than mutual funds sponsored by entities which are associate of the BRLM, or insurance companies promoted by entities which are associate of the BRLM or

Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLM or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLM shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

### Method and Process of Applications

- i. The Designated Intermediaries shall accept applications from the Applicants during the Offer Period.
- ii. The Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Offer Period may be extended, if required, by an additional three Working Days, subject to the total Offer Period not exceeding 10 Working Days.
- iii. During the Offer Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
- iv. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Offer.
- v. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries there than SCSBs:</b>	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.

The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall

be furnished to the Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/ failure of the Offer or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Offer Account. In case of withdrawal/ failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

### **Terms of payment**

The entire offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Offer Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the 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 Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Offer 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 Offer and consequent transfer of the Application Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Applicant, 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.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Offer, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Offer Account as per section 40 (3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Offer by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Offer, in the event of withdrawal/failure of the Offer or rejection of the ASBA Application, as the case may be.



## **Maximum and Minimum Application Size**

The applications in this Offer, being a Book Built issue, will be categorized into two, For Retail Individual Applicants. The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000

### **For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.

A person shall not make an application in the net offer category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the offer less total number of specified securities offered in the offer to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

### **Option to Receive Equity Shares in Dematerialized Form**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

Furnishing the details depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **Pre-Offer Advertisement**

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. Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Draft Red Herring Prospectus with the RoC, publish a pre-offer 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.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, Promoter Selling Shareholder and BRLM are not liable for any amendments or modification or changes in applicable laws or

regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the prescribed limits under applicable laws or regulations.

### **Electronic Registration of Applications**

- 1) The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
- 2) The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Offer Closing Date.
- 3) The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a. The applications accepted by them,
  - b. The applications uploaded by them.
  - c. The applications accepted but not uploaded by them or with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
- 4) Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - a. The applications accepted by any Designated Intermediaries
  - b. The applications uploaded by any Designated Intermediaries or
  - c. The applications accepted but not uploaded by any Designated Intermediaries
- 5) The Stock Exchange will Offer an electronic facility for registering applications for the Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
- 6) With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

<b>Sr. No.</b>	<b>Details*</b>
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchange shall uniformly prescribe character length for each of the above-mentioned fields*

- 7) With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
1. Name of the Applicant.
  2. IPO Name:
  3. Application Form Number.
  4. Investor Category.
  5. PAN (of First Applicant, if more than one Applicant).
  6. DP ID of the demat account of the Applicant.
  7. Client Identification Number of the demat account of the Applicant.
  8. Number of Equity Shares Applied for.
  9. Bank Account details.
  10. Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained, and Bank account number.
- 8) In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
- 9) The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

- 10) In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
- 11) The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- 12) The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
- 13) The SCSBs shall be given one day after the Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.

The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Allocation of Equity shares**

- i. The Offer is being made through the Book Built Process wherein [●] Equity Shares shall be reserved for Market Maker and [●] Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Offer Price. The balance of the Net Offer will be available for allocation on proportionate basis to Non-Retail Applicants.
- ii. Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Stock Exchange.
- iii. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- iv. In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- v. Allotment status details shall be available on the website of the Registrar to the Offer.

### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

Our Company and Promoter Selling Shareholder will enter into an Underwriting Agreement after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

### **Issuance of Allotment Advice**

Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload on its website.

On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to the Applicants who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding, and irrevocable contract for the Allotment to such Applicant.

The issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Offer Account to Public Offer account of the issuer.

### **Designated Date**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Offer Account with the Bankers to the Offer.

The Company will Offer 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 Offer

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

### **Advertisement regarding Offer price and Draft Red Herring Prospectus**

Our Company will issue a statutory advertisement after the filing of the Draft Red Herring Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the floor Price and cap price.

### **Minimum Subscription**

This Offer is not restricted to any minimum subscription level. This Offer 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 thirty days from the date of Issue of the Draft Red Herring Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as maybe prescribed under that section. If the Issuer does not receive the subscription of 100% of the Offer through this Offer document including devolvement of underwriters within Sixty Days from the date of closure of the Offer, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies act, 2013.

### **General Instructions**

#### **Do's:**

2. Check if you are eligible to apply.
3. Read all the instructions carefully and complete the applicable Application Form.
4. Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only.
5. All Bidders should submit their Bids through the ASBA process only.
6. Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
7. In case of joint Bids, ensure that 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 Application Form;
8. Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e., to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
9. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
10. RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;

11. RIBs using UPI Mechanism through the SCSBs, and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. *SEBI/HO/CFD/DIL2/COR/P/2019/85* dated *July 26, 2019*;
12. RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
13. RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
14. RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
15. RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
16. If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
17. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms;
18. QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
19. Ensure that the name(s) given in the 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 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;
20. Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
21. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the 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);
22. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.
23. Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries
24. 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 I.T. 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;

25. Ensure that the Demographic Details are updated, true and correct in all respects;
26. 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;
27. Ensure that the category and the investor status is indicated;
28. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
29. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
30. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their 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 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 Application Form;
31. Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;
32. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
33. 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 Offer;
34. 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;
35. Ensure that you have correctly signed the authorization/undertaking box in the 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 Application Form at the time of submission of the Bid;
36. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
37. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have

agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;

38. RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid / Offer Closing Date.
39. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
40. RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
41. Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion, for the purposes of allocation in the Offer.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. *SEBI/HO/CFD/DIL2/CIR/P/2019/85* dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not apply for lower than the minimum Application size.
2. Do not apply for a price different from the price mentioned herein or in the Application Form;
3. Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
4. RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;>
5. RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;>
6. Do not send Application Forms by post, instead submit the Designated Intermediary only;
7. Do not submit the Application Forms to any non-SCSB bank or our Company.
8. Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
10. Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);



11. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
12. Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
13. Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
14. Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant;
15. All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. *SEBI/HO/CFD/DCR2/CIR/P/2019/133* dated *November 08, 2019* & *SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M* dated *March 16, 2021*;
16. Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
17. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidder whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder would be required in the Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders.

All communications may be addressed to such Bidders and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

A Bidder should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, the sub-Syndicate, SCSB, Registered Broker, RTA and CDP and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-offer or post-offer related problems regarding demat credit/refund orders/unblocking etc., the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

The nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In the case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate

nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

### **Submission of Bids**

1. During the Bid/ Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
2. In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
3. For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Draft Red Herring Prospectus.

### **Grounds of Technical Rejections**

Bidders are advised to note that SEBI, vide Circular No. *CIR/CFD/14/2012* dated *October 04, 2012* has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. *CIR/CFD/POLICY CELL/11/2015* dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Offer with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

**Please note that furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Applicant's bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Book Running Lead Manager nor the Registrar to the Offer or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid

intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 3 (three) working days from Offer 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 Offer Closing date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer 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 Applicants, the Company, in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Grounds for Rejection**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
2. 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;
3. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
4. PAN not mentioned in the Application Form;
5. GIR number furnished instead of PAN;
6. Applications for lower number of Equity Shares than specified for that category of investors;
7. Applications at a price other than the Fixed Price of the Offer;
8. Applications for number of Equity Shares which are not in multiples of [●];

9. The amounts mentioned in the Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
10. Bids for lower number of Equity Shares than the minimum specified for that category of investors;
11. Category not ticked;
12. Multiple Applications as defined in the Draft Red Herring Prospectus;
13. Applications made using a third party bank account or using third party UPI ID linked bank account
14. In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
15. Applications accompanied by Stock invest/ money order/ postal order/ cash;
16. Signature of sole Applicant is missing;
17. Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Offer Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Application Forms;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
19. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. Applications by OCBs;
21. Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
22. Applications not duly signed;
23. Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
24. Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
25. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
26. Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
27. Applications by Applicants, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process;
28. Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Offer Closing Date;
29. Applications not containing the details of Bank Account and/or Depositories Account.

30. In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form
31. For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

- I. An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- II. The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- III. Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- IV. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- V. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- VI. The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis- à-vis those with their Depository Participant.
- VII. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- VIII. The trading of the Equity Shares of our Company would be only in dematerialized form.

#### **Communications**

Registrar to the Offer quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Offer where the Application was submitted and a copy of the acknowledgement slip.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

#### **Equity Shares in Dematerialised Form with NSDL Or CDSL**

To enable all shareholders of the 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:

Agreement dated July 31, 2024, among NSDL, the Company and the Registrar to the Offer; and

Agreement dated February 27, 2024, among CDSL, the Company and the Registrar to the Offer.

The Company's shares bear ISIN no: INE0TTG01017

To,  
**Asif Sayyed**  
**Bigshare Services Private Limited**  
S6-2, 6<sup>th</sup> Pinnacle Business Park, Mahakali Caves Road,  
next to Ahura Centre, Andheri (East), Mumbai-400093.  
**Telephone:** 022 6263 8200

**Fax No.:** 022 6263 8299  
**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)  
**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)  
**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)  
**SEBI Registration No.:** INR000001385

### **Payment into Escrow Account(s) for Anchor Investors**

Our Company, in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favor of:

- a. In case of resident Anchor Investors: “[●]-IPO-Anchor Investor-R”; and
- b. In case of Non-Resident Anchor Investors: “[●]-IPO-Anchor Investor-NR”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national and [●] edition of [●], Gujarati being the regional language of Gujarat, where our Registered Office is located) In the Pre-offer advertisement, we shall state the Bid/offer Opening Date and the Bid/offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations

### **Disposal of Applications and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the offer.

### **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 for action under Section 447.”*

Shall be liable for action under section 447 of Companies Act, 2013 and shall be treated as Fraud.

## **Procedure and time for allotment and demat credit**

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the 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.**

## **Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Offer.

- The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Bidders Depository Account which will be completed within 4 Working Days of the Offer Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Offer Account on the Designated Date.

## **Basis of Allotment**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

The total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).

For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

Each successful applicant shall be allotted [●] equity shares; and

The successful applicants out of the total applicants for that category shall be determined by the 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 (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.

If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

Since present Offer is a Book Built Offer, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a. not less than thirty-five per cent. to retail individual investors;*
- b. not less than fifteen per cent. to non-institutional investors;*
- c. not more than fifty per cent. to qualified institutional buyers, five per cent. of which shall be allocated to mutual funds:*

*Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated*

*to applicants in any other category:*

*Provided further that in addition to five per cent. allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.*

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

Names of entities responsible for finalizing the Basis of Allotment in the event of Under Subscription.

In the event of under subscription in the Offer, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Offer size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the SME Platform of NSE-the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer 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, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Offer.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

### **Undertakings by Our Company**

We undertake as follows:

- i. That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- ii. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of closure of the Offer;
- iii. That if the Company do not proceed with the Offer, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-offer advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- iv. That our Promoter's contribution in full has already been brought in;
- v. That no further Issue of Equity Shares shall be made till the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and That if the Company withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh Offer document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- vi. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by us;
- vii. That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Offer giving



details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- viii. That Company shall not have recourse to the Offer proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- ix. Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- x. That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and that none of the promoters or directors of the company is wilful defaulter or Fraudulent Borrower under Section 5(c) of SEBI (ICDR) Regulations, 2018.

### **Undertakings by Promoter Selling Shareholder**

Promoter Selling Shareholder, specifically undertake and/or confirms the following solely in respect to itself as a Promoter Selling Shareholder and its respective portion of the Offered Shares:

- iii. it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- iv. its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- v. it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer; and
- vi. it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from the Stock Exchange.

### **Utilization of Offer Proceeds**

The Board of Directors of our Company certifies that:

- a. All monies received out of the Offer 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;
- b. Details of all monies utilized out of the Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our company indicating the purpose for which such monies have been utilized;
- c. Details of all unutilized monies out of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- d. Our Company shall comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Offer.
- e. Our Company shall not have recourse to utilize the Offer Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- f. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 has prescribed 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 the 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 RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government of India has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “FDI Circular”), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure - Bids by Eligible NRIs*” and “*Offer Procedure - Bids by FPIs*” on pages 275 and 275. As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for the Offer do not exceed the applicable limits under applicable laws or regulations.

For further details, see “*Offer Procedure*” beginning on page 265 of this Draft Red Herring Prospectus.

## **SECTION X-MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

### **ARTICLES OF ASSOCIATION OF A COMPANY LIMITED BY SHARES ARUNAYA ORGANICS LIMITED**

1. (1) In these regulations

- (a) Company means ARUNAYA ORGANICS LIMITED.
  - (b) Office means the Registered Office of the Company.
  - (c) Act means the Companies Act 2013 and any statutory modification thereof.
  - (d) Seal means the Common Seal of the Company.
  - (e) Director means a director appointed to the Board of a company.
- (2) Unless the context otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (3) The Company is a Public Company Limited by Shares within the meaning of Section 2(71) of the Companies Act 2013 and accordingly Public company means a company
- (a) is not a private company.
  - (b) has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

### **Share capital and variation of rights**

2. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
3. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-
- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders
4. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof

thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

5. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

6. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

7. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

9. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

### **Lien**

10. (i) The company shall have a first and paramount lien-

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

11. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made-

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

12. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

13. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### **Calls on shares**

14. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

15. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

17. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

18. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

19. The Board-

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

### **Transfer of shares**

20. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

21. The Board may, subject to the right of appeal conferred by section 58 decline to register-

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

22. The Board may decline to recognise any instrument of transfer unless-

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

23. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

### **Transmission of shares**

24. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
25. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
26. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
27. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
28. In case of a One Person Company on the death of the sole member the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member the nominee on becoming entitled to such shares in case of the members death shall be informed of such event by the Board of the company such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable on becoming member such nominee shall nominate any other person with the prior written consent of such person who shall in the event of the death of the member become the member of the company.

#### **Forfeiture of shares**

29. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

30. The notice aforesaid shall-

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

31. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

32. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

33. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

34. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

35. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **Alteration of capital**

36. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

37. Subject to the provisions of section 61, the company may, by ordinary resolution,-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;



(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

38. Where shares are converted into stock,-

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

39. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,-

(a) its share capital;

(b) any capital redemption reserve account; or

(c) any share premium account.

### **Capitalisation of profits**

40. (i) The company in general meeting may, upon the recommendation of the Board, resolve-

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

41. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power-

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

### **Buy-back of shares**

42. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### **General meetings**

43. All general meetings other than annual general meeting shall be called extraordinary general meeting.

44. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **Proceedings at general meetings**

45. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

46. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
47. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
48. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
49. In case of a One Person Company the resolution required to be passed at the general meetings of the company shall be deemed to have been passed if the resolution is agreed upon by the sole member and communicated to the company and entered in the minutes book maintained under section 118 such minutes book shall be signed and dated by the member the resolution shall become effective from the date of signing such minutes by the sole member.

#### **Adjournment of meeting**

50. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

51. Subject to any rights or restrictions for the time being attached to any class or classes of shares,-
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
52. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
53. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
54. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

55. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
56. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
57. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

### **Proxy**

58. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
59. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
60. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

61. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them:
1. DILIP BRIJMOHANLAL AGARAWAL
  2. VINOD BRIJMOHANDAS AGRAWAL
62. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.
63. The Board may pay all expenses incurred in getting up and registering the company.

64. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
65. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
66. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
67. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

68. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
69. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
70. 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.
71. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
72. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

73. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
74. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
75. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
76. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
77. In case of a One Person Company where the company is having only one director all the businesses to be transacted at the meeting of the Board shall be entered into minutes book maintained under section 118 such minutes book shall be signed and dated by the director the resolution shall become effective from the date of signing such minutes by the director.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

78. 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
79. 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**

80. The Board shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **Dividends and Reserve**

81. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
82. 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.
83. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
84. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
85. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
86. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
87. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
88. 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.
89. No dividend shall bear interest against the company.

### **Accounts**

90. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **Winding up**

91. 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**

92. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.



## **SECTION XI – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts, not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus, which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus, will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from date of filing the Draft Red Herring Prospectus with RoC to Offer Closing Date on Working Days from 10.00 a.m. to 5.00 p.m.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable laws.

#### **Material Contracts:**

- a) Offer Agreement dated August 24, 2024, between our Company and BRLM.
- b) Registrar Agreement dated August 09, 2024, between our Company and the Registrar to the Offer.
- c) Cash escrow and sponsor bank agreement dated [●] amongst our Company, the Registrar to the Offer, the BRLM, Syndicate Member.
- d) Share escrow agreement dated [●] entered into amongst the Promoter Selling Shareholder, our Company and a share escrow agent.
- e) Syndicate agreement dated [●] entered into amongst our Company, the BRLM, the Syndicate Member, Registrar to the Offer, Syndicate Member and Share Escrow Agent.
- f) Underwriting Agreement dated [●] between our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLM, Underwriter.
- g) Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated July 31, 2024.
- h) Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated February 27, 2024.
- i) Market Making Agreement dated [●] between our Company, BRLM and Market Maker.

#### **Material Documents**

- a) Certified true copy of Certificate of Incorporation, Memorandum and Articles of Association of our Company as amended from time to time;
- b) Board resolution and special resolution passed pursuant to Section 62 (1)(c) of the Companies Act, 2013 by the Board and shareholders of our Company approving the Offer, at their meetings held on June 17, 2024 and June 18, 2024, respectively;
- c) Resolution of the Board of Directors of our Company dated August 24, 2024 approving the Draft Red Herring Prospectus and amendments thereto.
- d) Copies of the annual reports of our Company for the preceding three Fiscals;
- e) Special Resolution of shareholders of our company dated June 01, 2024 approving re-designation of Managing Director;
- f) Consent dated August 21, 2024, from the Statutory auditor, M/s Abhishek Kumar & Associates, Chartered Accountants, to include their name as an “expert” as defined under section 2(38) of the

Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Financial Statements and their examination report, and (ii) the Statement of Possible tax benefits included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

- g) Consents of Promoters, Promoter Selling Shareholder, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Banker to the Company, Legal Advisor to the Offer, Book Running Lead Manager, Registrar to the Offer, Syndicate Member, the Escrow Collection Bank(s), Market Maker, Underwriter and Bankers to the Offer/Public Offer Bank/Refund Banker and Sponsor Banker to act in their respective capacities;
- h) Certificate from the Peer Review Auditor, Chartered Accountants dated August 21, 2024, verifying the key performance indicators (KPI).
- i) Due Diligence Certificate from Book Running Lead Manager dated August 24, 2024 addressed to SEBI from the BRLM.
- j) Copy of In- Principle Approval from NSE by way of letter dated [●], to use the name of NSE in this offer document for listing of Equity Shares on NSE EMERGE (SME Platform of The National Stock Exchange of India Limited).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE MANAGING DIRECTOR**

**Sd/-**  
**Vinod Agrawal**  
**Managing Director**

**Place:** Ahmedabad  
**Date:** August 24, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE EXECUTIVE DIRECTOR**

**Sd/-**  
**Shivali Agrawal**  
**Executive Director**

**Place:** Ahmedabad  
**Date:** August 24, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE NON-EXECUTIVE DIRECTOR**

**Sd/-**

**Ashokbhai Agrawal**

**Non-Executive Director**

**Place:** Ahmedabad

**Date:** August 24, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE NON- EXECUTIVE INDEPENDENT DIRECTOR**

**Sd/-**

**Umesh Menon**

**Non- Executive Independent Director**

**Place:** Ahmedabad

**Date:** August 24, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE NON- EXECUTIVE INDEPENDENT DIRECTOR**

**Sd/-**

**Amita Pragada**

**Non- Executive Independent Director**

**Place:** Ahmedabad

**Date:** August 24, 2024

## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

## **SIGNED BY THE CHIEF FINANCIAL OFFICER**

**Sd/-**

**Bikash Tarafdar**  
**Chief Financial Officer**

**Place:** Ahmedabad

**Date:** August 24, 2024



## **DECLARATION**

I hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. I further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY SHIVALI AGRAWAL**

**Sd/-**

**Shivali Agrawal**

**Promoter Selling Shareholder**

**Place:** Ahmedabad

**Date:** August 24, 2024