



Draft Red Herring Prospectus

Dated: July 29, 2022

100% Book Built Issue

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

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



## VITAL CHEMTECH LIMITED

Corporate Identity Numbers: U24299GJ2021PLC127538

REGISTERED OFFICE		CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad-380015, Gujarat.		-	Mrs. Puja Paras Mehta	Tel No: +91 79 4600 5840 Email Id: <a href="mailto:info@vitalgroup.co.in">info@vitalgroup.co.in</a>	<a href="http://www.vitalgroup.co.in">www.vitalgroup.co.in</a>
PROMOTER OF OUR COMPANY: MR. VIPUL JATASHANKER BHATT					
DETAILS OF THE ISSUE					
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY	
Fresh Issue	Upto 6400000 Equity Shares aggregating to ₹ [●] Lakhs	Nil	Upto 6400000 Equity Shares aggregating to ₹ [●] Lakhs	THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.	
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES					
RISK IN RELATION TO THE FIRST ISSUE					
The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in “Basis for Issue Price” on page 81 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily Gujarati regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.					
GENERAL RISKS					
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled “Risk Factors” appearing on page 24 of this Draft Red Herring Prospectus.					
ISSUER’S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.					
LISTING					
The Equity Shares issued through Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”).					
BOOK RUNNING LEAD MANAGER TO THE ISSUE					
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE	
 Beeline Capital Advisors Private Limited		Mr. Nikhil Shah		Email: <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a> Tel. No: 079 4840 5357	
REGISTRAR TO THE ISSUE					
NAME AND LOGO		CONTACT PERSON		EMAIL & TELEPHONE	
 Skyline Financial Services Private Limited		Mr. Alok Gautam		Email: <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> Tel. No: 011-40450193-197	
BID/ISSUE PERIOD					
BID/ISSUE OPENS ON: [●]			BID/ISSUE CLOSES ON: [●]		



## VITAL CHEMTECH LIMITED

Corporate Identification Number: U24299GJ2021PLC127538

Our Company was originally incorporated as a private limited company on November 11, 2013, as 'Rudra Chemtech Private Limited', under the provisions of the Companies Act, 1956. Subsequently, Our Company was converted to Limited Liability Partnership Firm as 'Rudra Chemtech Limited Liability Partnership' having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 on February 12, 2015, under the LLP Act, 2008. Thereafter, on February 20, 2015, name was changed to 'Vital Chemtech Limited Liability Partnership' pursuant to Rule 20(3) of the LLP Rules, 2009. Later on, our Limited Liability Partnership was converted to Public Limited Company under section 366 Part I chapter XXI of the Companies Act, 2013 as 'Vital Chemtech Limited' and fresh Certificate of Incorporation dated November 25, 2021, was issued by Assistant Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24299GJ2021PLC127538.

Registered Office: B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad -380015, Gujarat

Website: [www.vitalgroup.co.in](http://www.vitalgroup.co.in); E-Mail: [info@vitalgroup.co.in](mailto:info@vitalgroup.co.in); Telephone No: +91 79 4600 5840

Company Secretary and Compliance Officer: Mrs. Puja Paras Mehta

### PROMOTER OF OUR COMPANY: MR. VIPUL JATASHANKER BHATT

#### THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 6400000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF VITAL CHEMTECH LIMITED ("VCL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND AHMEDABAD EDITION OF [●] REGIONAL NEWSPAPER (GUJARATI REGIONAL LANGUAGE OF AHMEDABAD WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 193 OF THIS DRAFT RED HERRING PROSPECTUS.

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the 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 Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "Issue Procedure" on page 203.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 203 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

#### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Cap Price and the Issue Price 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 RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have 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 24 of this Draft Red Herring Prospectus.

#### COMPANY'S ABSOLUTE RESPONSIBILITY

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

#### LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in Issue document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"). For this Issue, the designated Stock Exchange is the National Stock Exchange of India Limited ("NSE").

#### BOOK RUNNING LEAD MANAGER



#### REGISTRAR TO THE ISSUE



#### BEELINE CAPITAL ADVISORS PRIVATE LIMITED

SEBI Registration Number: INM000012917

Address: 807, Phoenix, Opp. Girish Cold Drinks, Near Vijay Cross Roads, Navrangpura, Ahmedabad -380009, Gujarat.

Telephone Number: 079 4840 5357

Email Id: [mb@beelinemb.com](mailto:mb@beelinemb.com)

Investors Grievance Id: [ig@beelinemb.com](mailto:ig@beelinemb.com)

Website: [www.beelinemb.com](http://www.beelinemb.com)

Contact Person: Mr. Nikhil Shah

CIN: U67190GJ2020PTC114322

#### SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

SEBI Registration Number: INR000003241

Address: D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area Phase-I, New Delhi – 110020, India.

Tel. Number: 011-40450193-197

Fax- 011-26812683

Email Id: [compliances@skylinerta.com](mailto:compliances@skylinerta.com)

Investors Grievance Id: [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

Website: [www.skylinerta.com](http://www.skylinerta.com)

Contact Person: Mr. Alok Gautam

CIN: U74899DL1995PTC071324

#### BID/ISSUE PERIOD

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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## SECTION I – DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.*

### GENERAL AND COMPANY RELATED TERMS

Term	Description
“Vital Chemtech”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Vital Chemtech Limited, a public limited company, registered under the Companies Act, 2013 and having its registered office at B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad-380015, Gujarat.
Our Promoter	Mr. Vipul Jatashanker Bhatt
Promoter’s Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “Our Promoter and Promoter’s Group”.

### Company Related Terms

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “Our Management” on page 134 of this Draft Red Herring Prospectus.
Auditor of our Company / Joint Statutory Auditor	The Statutory Auditors of our Company, being M/s. Abhishek Kumar & Associates Chartered Accountants as mentioned in the section titled “General Information” beginning on page 48 of this Draft Red Herring Prospectus.
Bankers to the Company	Axis Bank Limited
Board of Directors / Board/BOD	The Board of Directors of Vital Chemtech Limited unless otherwise specified.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U24299GJ2021PLC127538
CMD	Chairman and Managing Director
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Ms. Ketki Ajay Oza.
Company Secretary and Compliance Officer (CS)	The Company Secretary and Compliance Officer of our Company, being Mrs. Puja Paras Mehta.
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director Identification Number
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
ED	Executive Director
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies shall include such companies (other than our Promoter and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Information as covered under the applicable accounting standards, and as disclosed in “Information with respect to Group Companies” on page 180 of this Draft Red Herring Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	INE0L4K01016
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page 134 of this Draft Red Herring Prospectus.
LLP	LLP incorporated under the Limited Liability Partnership Act, 2008.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on July 01, 2022 in accordance with the requirements of the SEBI ICDR Regulations.
MD	Managing Director
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “Our Management” on page 134 of this draft red herring prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Peer Reviewed Auditor	The Statutory Auditors of our Company, being M/s. Abhishek Kumar & Associates Chartered Accountants, holding a valid peer review certificate, as mentioned in the section titled “General Information” beginning on page 48 of this Draft Red Herring Prospectus.
Registered Office	B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad-380015, Gujarat.
Restated Financial Information	The Restated Financial Information of our Company, which comprises the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows for the year ended on March 31, 2022, 2021, 2020 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Ahmedabad.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “Our Management” on page 134 of this draft red herring prospectus.
WTD	Whole-Time Director

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges

Terms	Description
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued
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.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled ‘Basis of allotment’ under chapter titled “Issue Procedure” starting from page no. 203 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	<p>The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Ahmedabad (a widely circulated Regional language daily newspaper) (Gujarati being the regional language of Gujarat, where our Registered Office is located).</p> <p>Our Company in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Ahmedabad (a widely circulated Regional language daily newspaper) (Gujarati being the regional language of Gujarat, where our Registered Office is located).
Bid/ Issue Period	<p>The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid /</p>

Terms	Description
	Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Beeline Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.
Bankers to the Issue and Refund Banker	[●]
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the BRLM, the Registrar to the Issue and the Stock Exchange.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time

Terms	Description
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated Intermediaries/Collecting Agent	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Stock Exchange	Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
DP ID	Depository Participant’s Identity Number
Draft Red Herring Prospectus	Draft Red Herring prospectus dated July 14, 2022 issued in accordance with Section 32 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
Engagement Letter	The Engagement letter dated June 02, 2022 executed between Issuer and BRLM.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Emerge Platform of NSE	The EmERGE Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as an NSE EmERGE on October 14, 2011.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account	Accounts opened with the Banker to the Issue
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fresh Issue	The Fresh Issue of upto 6400000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular

Terms	Description
	(CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number
IPO/ Issue/ Issue Size/ Public Issue	Initial Public Offering
Issue document	Includes Red Herring Prospectus and Prospectus filed with Registrar of Companies.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” page 74 of this Draft Red Herring Prospectus
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offering/ IPO	The initial public offering of up to 6400000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs comprising the Fresh Issue.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●] /- (including share premium of ₹ [●] /- per Equity Share).
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker	The Market Maker to the Issue, in this case being [●].
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹ 10 each at an Issue price of ₹ [●] each aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net Proceeds	The proceeds from the Fresh Issue less the Issue related expenses applicable to the Fresh Issue
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Offer Document	Offer Document includes Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.

Terms	Description
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar / Registrar to the Issue	Registrar to the Issue being Skyline Financial Services Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors / (RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and Issues the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated [●]
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.

Terms	Description
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Willful Defaulter	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Red Herring Prospectus are open for business :- <ol style="list-style-type: none"> <li>1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business.</li> <li>2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.</li> </ol>

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
°C	Celsius
°F	Fahrenheit
API	Active Pharmaceutical Ingredient
BAFF	B-cell activating factor
CFM	Cubic feet per minute
CL	Chlorine
Cm	Centimeter
CRM	Customer Relationship Management
CT	Cooling Tower
DC	Direct current
DG	Diesel generator
DMC	Dimethyl Carbonate
EBITDA	Earnings before Interest, Tax, Depreciation and Tax
EHS	Environmental, Health, and Safety
g	Gram
G.I. D.C.	Gujarat Industrial Development Corporation
HDPE	High Density Polyethylene

Term	Description
HM	High Molecular
HP	Horsepower
HT	High Tension
HWB	Hot Water Bath
IBR	Indian Boiler Regulations
IC	Integrated Circuit
ISO	International Organization for Standardization
KG	Kilogram
KL	Kilo Liter
KSM	Key starting material
KV	Kilo Volt
MS	Mild steel
MT	Metric Ton
mtrs	Meters
O	Oxygen
P	Phosphorus
PAT	Profit After Tax
PCL <sub>3</sub>	Phosphorus Trichloride
POCl <sub>3</sub>	Phosphorus Oxychloride
PCl <sub>5</sub>	Phosphorus Pentachloride
P <sub>2</sub> O <sub>5</sub>	Phosphorus Pentoxide
P <sub>2</sub> S <sub>5</sub>	Phosphorus Pentasulfide
PCPIR	Petroleum, Chemicals and Petrochemicals Investment Region
PLC	Programmable Logic Controller
PPA	Poly Phosphoric Acid
PPM	Parts Per Million
PVC	Polyvinyl chloride
QA	Quality Assurance
QC	Quality Control
QEHS	Quality, Environment, Health and Safety
R&D	Research and Development
RVD	Residual Vapour Detection
S	Sulfur
SAP	Systems, Applications & Products in Data Processing
SCADA	Supervisory Control and Data Acquisition
SD	Sulfadiazine
SMD	Sulfamethoxydiazine
Sq	Square
SS	Stainless Steel
TOPO	Tri Octyl Phosphine Oxide
VB	Vent Buffer
YPDT	YP Day Tank
ZLD	Zero Liquid Discharge

#### CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting

Term	Description
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFSS	Companies Fresh Start Scheme under Companies Act, 2013
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director identification number
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identification
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMDE	Emerging Market and Developing Economy
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Fis	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time

<b>Term</b>	<b>Description</b>
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the NSE
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Vital Chemtech Limited”, “VCL”, and, unless the context otherwise indicates or implies, refers to Vital Chemtech Limited. In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### Use of Financial Data

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and in Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and restated for the period ended on March 31, 2022 and November 24, 2021 and for the financial year ended on March 31, 2021 and 2020 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Restated Financial Information of our Company*” beginning on page 160 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

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*”, “*Business Overview*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s Restated Financial Information prepared in accordance with the applicable provisions of the Companies Act, Indian Ind AS and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Restated Financial Information of our Company*” beginning on page 160 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 “*Description of Equity Shares and Terms of the Articles of Association*”, on page 230 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 Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

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 place.

### 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, 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 81 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

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

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

1. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations.
2. Destruction in our service process.
3. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
4. Failure to attract, retain and manage the transition of our management team and other skilled & unskilled employees;
5. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
6. Ability to respond to technological changes;
7. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
8. Inability to successfully obtain registrations in a timely manner or at all;
9. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
10. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
11. Recession in the market;
12. Changes in laws and regulations relating to the industries in which we operate;
13. Effect of lack of infrastructure facilities on our business;
14. Our ability to successfully implement our growth strategy and expansion plans;
15. Our ability to meet our capital expenditure requirements;
16. Our ability to attract, retain and manage qualified personnel;
17. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
18. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
19. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
20. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
21. Conflicts of interest with affiliated companies, the promoter group and other related parties;
22. The performance of the financial markets in India and globally;
23. Any adverse outcome in the legal proceedings in which we are involved;
24. Our ability to expand our geographical area of operation;

25. Concentration of ownership among our Promoter.

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”; “*Business Overview*” & and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 24, 94 and 162 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

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

## SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS

### PRIMARY BUSINESS OF THE COMPANY

Our Company was originally incorporated as a private limited company on November 11, 2013, as ‘Rudra Chemtech Private Limited’, under the provisions of the Companies Act, 1956. Subsequently, Our Company was converted to Limited Liability Partnership Firm as ‘Rudra Chemtech Limited Liability Partnership’ having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 on February 12, 2015, under the LLP Act, 2008. Thereafter, on February 20, 2015, name was changed to ‘Vital Chemtech Limited Liability Partnership’ pursuant to Rule 20(3) of the LLP Rules, 2009. Later on, our Limited Liability Partnership was converted to Public Limited Company under section 366 Part I chapter XXI of the Companies Act, 2013 as ‘Vital Chemtech Limited’ and fresh Certificate of Incorporation dated November 25, 2021, was issued by Assistant Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24299GJ2021PLC127538.

Our Company is engaged in the business of manufacturing of Phosphorus Derivatives. Our Company is manufacturer and supplier of Phosphorus base chemicals with highest quality practice and compliant with Highest Environmental, Health, and Safety (EHS) in chemical industry. The company has State of the Art Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) operated in integrated complex in PCPIR region of Dahej, Gujarat, India for manufacturing of phosphorus base chemicals. Manufacturing Facility of our company is having integrated manufacturing facility for manufacturing of phosphorus base chemical. Our manufacturing Facility located in Dahej, Gujarat, has been certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas to maintain highest quality, environmental and safety practices. Our plant is ZLD (Zero Liquid Discharge) to ensure minimum emissions and waste generation. The state of the art operation ensures organized uniflow state of the art manufacturing and supply sustainability to our valued customers

Presently our company manufactures Phosphorus Trichloride ( $PCl_3$ ), Phosphorus Oxychloride ( $POCl_3$ ), Phosphorus Pentachloride ( $PCl_5$ ), Phosphorus Pentoxide ( $P_2O_5$ ), Poly Phosphoric Acid (PPA) and Phosphorus Pentasulfide ( $P_2S_5$ ) for our customers across segments such as Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyes, Pigments and Plastic Additives. Our company also does trading of its raw Material.

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

#### GLOBAL OUTLOOK

Following more than two years of pandemic, spillovers from the Russian Federation’s invasion of Ukraine are set to sharply hasten the deceleration of global economic activity, which is now expected to slow to 2.9 percent in 2022. The war in Ukraine is leading to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions, magnifying financial vulnerability, and heightening policy uncertainty. Growth in emerging market and developing economies (EMDEs) this year has been downgraded to 3.4 percent, as negative spillovers from the invasion of Ukraine more than offset any near-term boost to some commodity exporters from higher energy prices. Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecast to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds—in particular, high commodity prices and continued monetary tightening—are expected to persist. Moreover, the outlook is subject to various downside risks, including intensifying geopolitical tensions, growing stagflationary headwinds, rising financial instability, continuing supply strains, and worsening food insecurity.

These risks underscore the importance of a forceful policy response. The global community needs to ramp up efforts to mitigate humanitarian crises caused by the war in Ukraine and conflict elsewhere and alleviate food insecurity, as well as expand vaccine access to ensure a durable end of the pandemic. Meanwhile, EMDE policy makers need to refrain from implementing export restrictions or price controls, which could end up magnifying the increase in commodity prices. With rising inflation, tightening financial conditions, and elevated debt levels sharply limiting policy space, spending can be reprioritized toward targeted relief for vulnerable households. Over the long run, policies will be required to reverse the damage inflicted by the dual shocks of the pandemic and the war on growth prospects, including preventing fragmentation in trade networks, improving education, and raising labor force participation.

Russia’s invasion of Ukraine is affecting EMDE regions to different degrees via impacts on global trade and output, commodity prices, inflation, and interest rates. The adverse spillovers from the war will be most severe for Europe and Central Asia, where output is forecast to sharply contract this year. Output growth is projected to slow this year in all other regions except the Middle East and North Africa, where the benefits of higher energy prices for energy exporters are expected to outweigh those prices’ negative impacts for other economies in the region. Risks for all EMDE regions are tilted to the downside and include intensifying geopolitical tensions, rising inflation and food shortages, financial stress and rising borrowing costs, renewed outbreaks of COVID-19, and disruptions from disasters.

*(Source: Global Economic Prospects, June 2022)*

## INDIAN ECONOMY

### INTRODUCTION

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. Moreover, the likely withdrawal of liquidity by major central banks over the next year may also make global capital flows more volatile. In this context, it is important to evaluate both the pace of growth revival in India as well as the strength of macro-economic stability indicators. It is also essential to look at progress in vaccination as this is not just a health response but also a buffer against economic disruptions caused by repeated waves of the pandemic.

Since January 2021, the widely used Purchasing Managers' Index-Manufacturing has remained in the expansionary zone (i.e. over 50) except for one month when the second wave had slowed down economic activity. The Index of Industrial Production (IIP) and Core Industry indices have both followed a similar pattern and, in November 2021, went past their pre-pandemic level for the corresponding month in 2019

### Economy recovers past Pre-Pandemic levels

The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April- June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. Advance estimates suggest that GDP will record an expansion of 9.2 per cent in 2021-22. This implies that the level of real economic output will surpass the pre-COVID level of 2019-20.

In contrast to the steady performance of the primary sector, the industrial sector went through a big swing by first contracting by 7 per cent in 2020-21 and then expanding by 11.8 per cent in this financial year. The manufacturing, construction and mining sub-sectors went through the same swing although the utilities segment experienced a more muted cycle as basic services such as electricity and water supply were maintained even at the height of the national lockdown. The share of industry in GVA is now estimated at 28.2 per cent

## CHEMICAL SECTOR IN INDIA

### INTRODUCTION

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14<sup>th</sup> in exports and 8<sup>th</sup> in imports at global level (excluding pharmaceuticals). The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

### MARKETS SIZE

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. Chemical production reached 903,002 MT in December 2021, while petrochemical production reached 1,877,907 MT. In December 2021, production levels of various chemicals were as follows: Soda Ash: 257,199 MT, Caustic Soda: 277,638 MT, Liquid Chlorine: 190,492 MT, Formaldehyde: 22,794 MT and Pesticides and Insecticides: 22,110 MT.

The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22. Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). From April 2021 to February 2022, exports of organic & inorganic chemicals increased 33.75% YoY to reach US\$ 26.48 billion. Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.

(Sources: <https://www.ibef.org/industry/chemical-industry-india>)

## NAME OF PROMOTER

Promoter of Our Company is Mr. Vipul Jatashanker Bhatt. For detailed information on our Promoter and Promoter's Group, please refer to Chapter titled "Our Promoter and Promoter's Group" on page no. 156 of this Draft Red Herring Prospectus.

## SIZE OF THE ISSUE

Our Company is proposing the public issue of upto 6400000 equity shares of face value of ₹ 10/- each of Vital Chemtech Limited ("VCL" or the "Company" or the "Issuer") for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the "issue price") aggregating to ₹ [●] lakhs ("the issue"), of which [●] equity shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs will be reserved for subscription by market maker to the issue (the "market maker reservation portion"). The issue less the market maker reservation portion i.e. Net issue of [●] equity shares of face value of ₹ 10/- each at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs is herein after referred to as the "net issue". The issue and the net issue will constitute [●] % and [●]%, respectively, of the post issue paid up equity share capital of our company. The face value of the equity shares is ₹ 10/- each. The price band will be decided by our company in consultation with the book running lead manager ("BRLM") and will be advertised in all editions of the English national newspaper, all editions of the Hindi national newspaper and regional language newspaper, each with wide circulation, at least 2 (two) working days prior to the bid/ issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the emerge platform of National Stock Exchange of India Limited ("NSE Emerge", referred to as the "Stock Exchange") for the purpose of uploading on their website for further details kindly refer to chapter titled "Terms of the issue" beginning on page 193 of this draft red herring prospectus.

## OBJECT OF THE ISSUE

Particulars	Amount (₹ in) Lakhs
Gross Issue Proceeds	[●]
Less: Public Issue Related Expenses	[●]
Net Issue Proceeds	[●]

## UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue Proceeds	% of Net Issue Proceeds
1.	To Meet Working Capital Requirements	4500.00	[●]	[●]
2.	General Corporate Purpose	[●]	[●]	[●]
<b>Net Issue Proceeds</b>		[●]	[●]	[●]

## MEANS OF FINANCE

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

Sr. No.	Particulars	Amount Required (FY 2022-23)	From IPO Proceeds	Internal Accruals/Equity/Reserves	Balance from Long/Short Term Borrowing
1.	Working Capital Requirements	8,942.06	4500.00	2,983.47	1,458.59
2.	General Corporate Purpose	[●]	[●]	0.00	0.00
<b>Total</b>		[●]	[●]	<b>2,983.47</b>	<b>1,458.59</b>

## SHAREHOLDING

The shareholding pattern of our Promoter and Promoter's Group before the Issue is as under;

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Issued Capital*	No. of equity shares	As a % of Issued Capital*
<b>Promoter</b>					
1.	Vipul Jatashanker Bhatt	13162500	74.99	13162500	[●]
<b>Total – A</b>		<b>13162500</b>	<b>74.99</b>	<b>13162500</b>	<b>[●]</b>
<b>Promoter’s Group</b>					
1.	Sangeeta Vipul Bhatt	4387500	24.99	4387500	[●]
2.	Jay Vipul Bhatt	300	Negligible	300	[●]
3.	Vipul Jatashanker Bhatt – HUF	300	Negligible	300	[●]
4.	Keyaa Vipul Bhatt	300	Negligible	300	[●]
5.	Hitesh Jatashankar Bhatt	300	Negligible	300	[●]
6.	Dhaval Hashmukhbhai Pandya	300	Negligible	300	[●]
<b>Total – B</b>		<b>4389000</b>	<b>25.01</b>	<b>4389000</b>	<b>[●]</b>
<b>Public</b>					
1	Public in IPO	-	-	[●]	[●]
<b>Total-C</b>		-	-	[●]	[●]
<b>Total Promoter and Promoter’s Group (A+B)</b>		<b>17551500</b>	<b>100.00</b>	<b>[●]</b>	<b>100.00</b>

\* Rounded off

## FINANCIAL DETAILS

(Amount in ₹ Lakhs)

Sr. No.	Particulars	For the period ended		For the year ended	
		March 31, 2022	November 24, 2021	March 31, 2021	March 31, 2020
1.	Share Capital	672.06	672.06	597.52	303.75
2.	Net worth	1,337.32	672.06	597.52	303.75
3.	Revenue from operations	5,761.46	8,558.80	4,739.65	4,115.98
4.	Profit After Tax	670.94	784.50	293.78	105.38
5.	Earnings Per Share – Basic & Diluted (Post Bonus)	5.99	7.00	2.62	0.94
6.	NAV per Equity Shares (Pre-Bonus)	19.90	10.00	8.89	4.52
7.	NAV per Equity Shares (Post Bonus)	11.94	6.00	5.33	2.71
8.	Total Borrowings (As per Balance Sheet) (Including Current Maturity of Long-Term Debt)	3,500.09	1,636.22	1,005.86	953.91

## AUDITORS’ QUALIFICATIONS

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

## OUTSTANDING LITIGATIONS

There are no pending Litigation against our Company nor against our Promoter or Directors of the company except mentioned below;

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

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (₹ in crores)
By the Company	NA	NA	NA	NA	1	0.39
Against the Company	NA	NA	NA	NA	1	0.30
<b>Directors</b>						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors*	NA	NA	NA	NA	NA	NA
<b>Promoter</b>						
By Promoter	NA	NA	NA	NA	NA	NA
Against Promoter*	NA	NA	NA	NA	NA	NA
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA

## RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no. 2424 of this Draft Red Herring Prospectus.

## CONTINGENT LIABILITIES

### BASED ON RESTATED FINANCIAL STATEMENT

(₹ In Lakhs)

Particulars	For the year/period ended on			
	March 31, 2022	November 24, 2021	March 31, 2021	March 31, 2020
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	1,090.59	872.78	761.42	541.13
2. Others	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1,090.59</b>	<b>872.78</b>	<b>761.42</b>	<b>541.13</b>

## RELATED PARTY TRANSACTIONS

### BASED ON RESTATED FINANCIAL STATEMENT

(₹ in Lakhs)

Nature of Transactions	Name of Related Parties	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
1. Directors Remuneration	Vipul Bhatt	28.00	0.00	0.00	0.00
	Sangeeta Vipul Bhatt	12.00	0.00	0.00	0.00

Nature of Transactions	Name of Related Parties	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
	Jay Vipul Bhatt	20.00	0.00	0.00	0.00
<b>Total</b>		<b>60.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2. Partner Interest	Vipul Bhatt	0.00	32.20	49.00	52.82
	Sangeeta Vipul Bhatt	0.00	13.47	27.22	28.91
<b>Total</b>		<b>0.00</b>	<b>45.67</b>	<b>76.22</b>	<b>81.74</b>
3. Partner Remuneration	Vipul Bhatt	0.00	495.00	135.00	96.60
	Sangeeta Vipul Bhatt	0.00	330.00	90.00	64.40
<b>Total</b>		<b>0.00</b>	<b>825.00</b>	<b>225.00</b>	<b>161.00</b>
4. Loan Received (Paid) during the Year to Related Parties	<b>Vipul Bhatt</b>				
	Opening Balance	1,129.72	465.40	482.48	477.56
	Loan Received during the year	915.62	1,663.55	194.43	208.92
	Loan Paid during the year	-928.66	-999.23	-211.51	-204.01
	<b>Closing Balance</b>	<b>1,116.68</b>	<b>1,129.72</b>	<b>465.40</b>	<b>482.48</b>
	<b>Sangeeta Vipul Bhatt</b>				
	Opening Balance	419.45	220.57	277.64	290.84
	Loan Received during the year	209.29	721.39	127.25	113.51
	Loan Paid during the year	-271.81	-522.51	-184.31	-126.71
	<b>Closing Balance</b>	<b>356.93</b>	<b>419.45</b>	<b>220.57</b>	<b>277.64</b>
	<b>Jay Vipul Bhatt</b>				
	Opening Balance	0.00	0.00	5.16	23.54
	Loan Received during the year	137.50	19.12	0.00	1.88
	Loan Paid during the year	-5.00	-19.12	-5.16	-20.26
	<b>Closing Balance</b>	<b>132.50</b>	<b>0.00</b>	<b>0.00</b>	<b>5.16</b>
	<b>Vipul J Bhatt (HUF)</b>				
	Opening Balance	60.39	60.39	0.00	0.00
	Loan Received during the year	1.83	0.00	60.40	0.00
	Loan Paid during the year	-2.98	0.00	-0.01	0.00
	<b>Closing Balance</b>	<b>59.23</b>	<b>60.39</b>	<b>60.39</b>	<b>0.00</b>
<b>Valentia Synthesis Private Limited</b>					
Opening Balance	0.00	0.00	0.00	0.00	
Loan Received during the year	1,504.77	0.00	0.00	0.00	
Loan Paid during the year	-500.48	0.00	0.00	0.00	
<b>Closing Balance</b>	<b>1,004.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
5. Sales	Vital Chemicals	69.36	143.67	331.03	319.85

Nature of Transactions	Name of Related Parties	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Total</b>		<b>69.36</b>	<b>143.67</b>	<b>331.03</b>	<b>319.85</b>
6. Purchase	Vital Chemicals	4.38	22.22	41.78	7.23
<b>Total</b>		<b>4.38</b>	<b>22.22</b>	<b>41.78</b>	<b>7.23</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.

### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

### COST OF ACQUISITION & WEIGHTED AVERAGE COST

**Weighted average price at which the Equity Shares were acquired by our Promoter in Last One Year:**

Sr. No.	Name of Promoter	No. of Equity Shares Acquired during last one Year	Weighted Average Price* (in ₹ per equity share)
1.	Mr. Vipul Jatashanker Bhatt	13162500	5.5385

The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire Shares and Shares allotted to him against his outstanding credit balance in capital account in erstwhile LLP and as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired in last one year.

### AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTER:

Sr. No.	Name of Promoter	No. of Equity Shares Held	Weighted Average Price* (in ₹ per equity share)
1.	Mr. Vipul Jatashanker Bhatt	13162500	5.5385

The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire Shares and Shares allotted to him against his outstanding credit balance in capital account in erstwhile LLP and as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

### PRE-IPO PLACEMENT

Our Company has not allotted any shares under pre-IPO Placement.

### ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued shares for consideration other than cash during last one year except for issue of 10530900 bonus shares allotted on June 13, 2022. For further details regarding Issue of Shares please refer chapter titled “*Capital Structure*” on Page 57 of this Draft Red Herring Prospectus.

### SPLIT / CONSOLIDATION

No Split or Consolidation was happened during the last one year.

## SECTION III – RISK FACTORS

*this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “Business Overview”, “The Issue”, “Industry Overview”, “Restated Financial Information”, “Outstanding Litigation and Other Material Developments”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page no. 94, 44, 86, 160, 170, and 162 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

*Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. 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 conditions and prospects.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this prospectus.*

*The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing 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 the Equity Shares.*

*The financial information in this section is, unless otherwise stated, derived from our Restated Financial Information prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.*

### **MATERIALITY**

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

- 1. Some risks may not be material individually but may be material when considered collectively.*
- 2. Some risks may have material impact qualitatively instead of quantitatively.*
- 3. Some risks may not be material at present but may have a material impact in the future.*

### **NOTE:**

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

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

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

### **INTERNAL RISK FACTORS:**

- 1. We do not own the premises in which our registered office is located and the same is on lease arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by lender could adversely affect our operations.*

Our Registered Office is not owned by our company and are taken on rent from our Promoter Mr. Vipul Jatashanker Bhatt for a period of 11 Months & 29 Days from June 01, 2022. Our Manufacturing facility located at Dahej, Gujarat is not owned by our company and is taken on lease basis from Gujarat Industrial Development Corporation for a period of 99 years from February 19, 2014.

We cannot assure you that we will be able to renew our leases on commercially acceptable 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. If we are required to relocate our business operations or shut down our manufacturing facilities, 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.

For more information on the various statutes applicable to our company, please refer section titled “*Details of Immovable Property*” under Chapter titled “*Our Business*” starting from Page no 94 of this Draft Red Herring Prospectus.

2. ***Some of the raw materials that we use as well as our finished products are hazardous, corrosive and flammable and require expert handling and storage, as applicable. Any accidents may result in loss of life or property and disrupt our operations which may have an adverse effect on our results of operation, cash flows and financial condition.***

We manufacture products which are used in various industries such as Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyes, Pigments and Plastic Additives. These products have various attendant requirements in relation to storage such as storage in sealed containers in liquid conditions, maintaining distance from direct heat, sunlight, dust and moisture, depending on the nature of the product. Certain of the raw materials that we use are hazardous, corrosive and flammable and require expert handling and storage, as applicable. Any failure of our control systems, mishandling of hazardous chemicals, leakages, explosion or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process, transportation, handling or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life and property, damage to our and third-party property and / or environmental damage, require shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability. The occurrence of any such event in the future may adversely affect our reputation and may also result in a loss of life or property which in turn could lead to disruption of our operations, resulting in an adverse effect on our results of operations, cash flows and financial condition. The improper storage or mishandling of our products during transit may compromise the quality of the products being delivered to our customers and can potentially expose us to liabilities and claims which could adversely affect our brand image and reputation and have a material and adverse effect on our business prospects, results of operations and financial condition.

3. ***Our Company, Promoter, Directors and group Companies are involved in certain litigations including tax related litigations, which if determined against them/us, can affect financial conditions of our company.***

Our Company, Promoter, Directors and group Companies against whom statutory authorities have raised Demand/Notices. Any adverse decision against Executive Directors or against Promoter can affect our financial condition. The summary of outstanding litigations are given in the following table:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in crores)
<b>Company</b>						
By the Company	NA	NA	NA	NA	1	0.39
Against the Company	NA	NA	NA	NA	1	0.30
<b>Directors</b>						
By our Directors	NA	NA	NA	NA	NA	NA
Against the Directors*	NA	NA	NA	NA	NA	NA
<b>Promoter</b>						
By Promoter	NA	NA	NA	NA	NA	NA
Against Promoter*	NA	NA	NA	NA	NA	NA
<b>Subsidiaries</b>						
By Subsidiaries	NA	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA	NA

We cannot assure you that these legal proceedings will be decided in favour of our Company, our Promoter, and our Directors, Group Company as the case may be, or that no further liability will arise out of these proceedings. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed

jointly and severally. If any new developments arise, such as change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our Restated Summary Statements that could increase our expenses and current liabilities. Further, such legal proceedings could divert management time and attention and consume financial resources. Any adverse outcome in any of these proceedings may have an adverse effect on our results of operations and financial condition. For further details, see *'Outstanding Litigation and Material Developments'* on page 170.

**4. *Our business and the demand for our products is reliant on the success of our customers' products with end consumers and any decline in the demand for the end products could have an adverse impact on our business, results of operations, cash flows and financial condition.***

Our revenue is attributable to Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyestuff, Pigments and Plastic Additives.

The demand for our products and margin of our products is dependent on and directly affected by factors affecting these industries. Consequently, any reduction in demand or a temporary or permanent discontinuation of manufacturing of products on account of breakthrough in the development or invention of alternate formulations, may expose us to the risk of our products becoming obsolete or being substituted by such alternatives. Any failure on our part to effectively address such situations or to successfully introduce alternate products or the shifting of the practice in these industries towards developing substitutes of our products could adversely affect our business, results of operations, financial condition and cash flows. Before we can introduce a new product, we must successfully execute a number of steps that involve a significant lead time, obtaining the requisite regulatory approvals and registrations, customizing our production capacities, scaling our vendor, production and infrastructure networks, getting relevant customer approval post undertaking their audit processes and effective marketing strategies. Our failure to effectively adapt to the situations or to successfully introduce new products or new applications, under unpredicted circumstances could adversely affect our business, results of operations and financial condition as we have in the past experienced a slowdown in the demand for our products and delays in new product development.

Further, we cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products. The development and commercialization process of a new product would require us to spend considerable time and money. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage could adversely affect our business.

**5. *Our business is dependent on our manufacturing facilities and we are subject to certain related risks. Unplanned slowdowns, unscheduled shutdowns or prolonged disruptions in our manufacturing operations or under – utilization of our manufacturing capacities could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our business is dependent on our ability to manage our manufacturing facility situated at Dahej, Gujarat, including productivity of our workforce, compliance with regulatory requirements or changes in the policies of the state or local governments of this region or the Government of India and those instances which are beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural calamities or civil disasters and pandemics, including the COVID-19 pandemic which caused certain disruptions in our operations last year and may cause disruptions in the future, which may result in us incurring significant capital expenditure and changing our business strategy.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output, efficiency, labour disputes, strikes, environmental issues, lock-outs, non-availability of services of our external contractors etc. Further, any significant malfunction or breakdown of our machinery or equipment at our manufacturing facilities may entail significant repair and maintenance costs and cause delays in our operations. If we are forced to shut down our manufacturing facility for a significant period of time, it would have a material adverse effect on our earnings, our results of operations and our financial condition as a whole. As such we have not faced any such instances till date.

We may also experience loss of, or a decrease in, revenue due to lower manufacturing levels. Our installed capacity at our manufacturing facility in Dahej, Gujarat for Financial Year 2022, 2021 and 2020, was 28800 MT, 13200 MT and 12000 MT, respectively, of the installed capacity at Dahej Facility in Gujarat, 39.90%, 56.97% and 63.45% capacity was utilised for Financial Year 2022, 2021 and 2020, respectively. For details, see heading "Capacity and Capacity Utilization" under chapter titled as *"Business Overview"* starting from on page 94. In addition, we may be required to shut down our manufacturing facilities for various reasons such as maintenance, inspection, testing and capacity

expansion. Further, the capacity utilization at our manufacturing facilities is subject to various factors such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal manufacturing planning.

Both our Manufacturing Facility and Registered Office Facility are located in the State of Gujarat. In the event there are any disruptions at our manufacturing facilities, due to natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, failure of machinery, lack of access to assured supply of electrical power and water at reasonable costs or any significant social, political or economic disturbances, could reduce our ability to meet the conditions of our contracts, manufacture our products and adversely affect sales and revenues from operations in such period. Although we have not faced any such instances till the date of this Draft Red Herring Prospectus.

In addition, any loss due to fire or industrial accident, any shutdown of our manufacturing facility could result in us being unable to meet with our commitments, which will have an adverse effect on our business, results of operation and financial condition. An inability to utilize our manufacturing facility to its full or optimal capacity, non-utilization of such capacities could have an adverse effect on our results of operations, cash flows and financial condition.

**6. *We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them.***

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

**7. *We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards.***

Our products have end uses in mainly Pharma, Agro Speciality chemical, dyestuff, textile auxiliaries, Plastic Additives, pigment. Given the nature of our products, adherence to quality standards is a critical factor in our manufacturing process. Our customers maintain strict quality standards that includes strict qualification and certification procedures. Our products go through various quality checks at various stages at our manufacturing facilities. While we have quality control systems in place, there can be no assurance that such quality controls may not be subject to failure. Failure of our products to meet the quality standards expected by our customers may result in rejection and reworking of our products. Any manufacturing or quality control problems may subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations, financial condition and cash flows. The Company operates in an industry which is heavily regulated. Since we supply our products to customers having global markets, our manufacturing facilities and products may be subjected to audit and inspection by Indian and overseas regulatory agencies. While historically, we have not received any notices pursuant to any inspection or audit undertaken by the Indian or the overseas regulatory agencies, going forward if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter or sanctions or any other action from regulatory authorities, which could result in the withholding of product approval and the shut-down of our facilities.

Further, any failure to make timely deliveries of products in the desired quantity as per our customers' requirements could also result in the cancellation of orders placed by our customers and may adversely affect our reputation and goodwill. Our manufacturing facility is also subject to periodic audits by our customers. This may involve inspection of the manufacturing facility, review of the manufacturing processes, review of the raw materials, review of our financial capabilities, technical review of the specification of the proposed product, review of our logistical capabilities, and reviews of our product. The product delivered by us is further subject to laboratory validation by certain customers. In the event our products do not comply with the specifications provided by the customer or in the event of a product recall, our supplies may be rejected, which may in turn result in a materially adverse impact on our business, financial conditions and results of operations.

**8. *Any increase in the cost of our raw material or other purchases or a shortfall in the supply of our raw materials, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.***

The success of our operations depends on a variety of factors, including our ability to source raw materials at competitive prices. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including demand and supply, general economic and political conditions, transportation and labour costs, natural disasters, pandemic, competition and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We seek to source our raw materials from reputed suppliers and

typically seek quotations from multiple suppliers. We typically do not enter into long-term agreements with our suppliers. We may be required to track the supply demand dynamics and regularly negotiate prices with our suppliers in case of significant fluctuations in raw material prices or foreign currency fluctuations.

Further, any increase in raw material prices may result in corresponding increases in our product costs. Our ability to pass on any increases in the costs of raw materials and other inputs to our customers may be limited. There may be a significant difference in the price of raw materials when raw materials are ordered and paid for and the prevailing price when the raw materials are received and we may not be able to pass on the difference in the prices to our customers. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our products to our customers in an efficient, reliable and timely manner, and consequently adversely affect our business, results of operations and financial conditions.

- 9. *We do not have long-term agreements with our suppliers or customers and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows. Further, our inability to accurately forecast demand for our products or manage our inventory or working capital requirements may have an adverse effect on our business, results of operations and financial condition.***

At present, the primary raw materials used for our manufacturing process are yellow phosphorous, Chlorine, Oxygen and Molten Sulphur. We typically do not enter into long-term supply contracts with any of our suppliers with respect to our raw material requirements and typically place orders with them in advance of our anticipated requirements. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing facility. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to inter alia the international scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

We typically do not enter into long-term agreements with customers, our relationship with our customers is generally on a non-exclusive basis and accordingly, our customers may choose to cease sourcing our products and choose to source alternative options. Therefore, we cannot assure that we will receive repeat orders from our customers in the future. Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers' expectations and specifications could result in the cancellation or non-renewal of contracts.

There are also a number of factors, other than our performance, that could cause the loss of a customer such as, (a) increase in prices of raw materials and other input costs; (b) changes in consumer preferences; (c) changes in governmental or regulatory policy, etc. Any of these factors may have an adverse effect on our business, results of operations and financial condition. Further, absence of any contractual exclusivity with respect to our business arrangements with such customers poses a threat on our ability to be able to continue to supply our products to such customers in the future. If we overestimate demand, we may incur costs to purchase more raw materials and manufacture more products than required. Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. We may not find any customers or purchasers for the surplus or excess capacity in which case we would be forced to incur a loss.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. If we underestimate demand, we may manufacture fewer quantities of products than required, which could result in the loss of business. We may fail to maintain the requisite inventory, which may adversely impact our ability to deliver products to customers in a timely manner which may lead to loss of revenues or customers. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

- 10. *Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business, results of operations, cash flows and financial conditions.***

Our operations are dependent on the timely transport of raw materials to our manufacturing facilities and of our products to our customers. Although we have two road tankers for supply our finished goods, we use a combination of land and water transport and typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. We may experience disruption in the transportation of raw materials by ship and delivery of the products to our customers due to bad weather conditions. Further, unexpected delays due to delays in obtaining customs clearance for raw materials imported by us or products exported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Any failure to deliver our products to our customers in an efficient, reliable and timely manner could have an adverse effect on our business, results of operations, cash flows and financial conditions.

- 11. *Our profitability largely depends upon the global prices of our products and on the pricing pressure resulting from competition with other players in the market. There is no assurance that the prices may sustain or further increase in the future. Any significant fall in global prices of our products may have a material adverse effect on our business, results of operations and financial condition.***

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers. Since we currently manufacture all our products at our manufacturing facility at Dahej Gujarat, we may be unable to provide the products at competitive prices as against suppliers which are able to implement more cost – effective distribution models and other local suppliers in such foreign markets. Accordingly, we may be more exposed to the volatility to the global prices of our products as against competitors whose manufacturing operations are less centralised. There is no assurance that the prices of our products may sustain or further increase in the future. Any significant fall in prices of our products may have a material adverse effect on our business, results of operations and financial condition.

- 12. *Non-compliance with increasingly stringent safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, cash flows and financial condition. Further, we may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.***

Our production process is hazardous therefore, we are subject to various laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, storage, transport, handling, disposal, employee exposure to hazardous substances and other aspects of our manufacturing operations. Improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We obtain the requisite registrations and approvals from time to time and aim to prevent such hazards by training our personnel and employing other prescribed safety measures. The occurrence of any such event in the future could have an adverse effect on our business, results of operations, cash flows and financial condition.

In addition, environmental laws and regulations in India have increasingly become more stringent. The increased concerns regarding the safe use of chemicals in commerce and their potential impact on the environment has resulted in more restrictive and stringent regulations. The scope and extent of the new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, maternity leave, hiring and termination of employees, contract labour and work permits. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing facility which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. If we fail to maintain safe work sites or violate applicable laws, it could expose us to civil and criminal liabilities and harm our reputation, any of which could have a material adverse effect on our business, financial condition and results of operations. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. If we are unable to remain in compliance with all applicable environmental, health and safety and labour laws, our business, results of operations, cash flows and financial condition may be adversely affected.

- 13. *Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products and the subsequent collection process from our customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

Our working capital requirement for Previous three Financial Years on restated basis was as follows;

(₹ in Lakhs)

Particulars	As per Restated financial statement		
	31-Mar-20	31-Mar-21	31-Mar-22
<b>Current Assets</b>			
Inventories			
➤ Finished Goods	67.96	61.86	240.75
➤ Work In Progress	69.01	47.52	90.20
➤ Raw Material	1.25	111.52	574.51
Trade receivables	1,139.23	1,364.51	4,173.00
Cash and cash equivalents	3.59	103.18	39.14
Loans and advances (Including Long Term)	79.16	14.43	25.33
Other Current Assets	92.99	93.58	358.54
<b>Total Current Assets</b>	<b>1,453.19</b>	<b>1,796.59</b>	<b>5,501.48</b>
<b>Current Liabilities</b>			
Trade payables	904.43	1,187.52	2,741.55
Other current liabilities	24.42	28.15	15.09
Short-term provisions	85.05	166.90	325.78
<b>Total Current Liabilities</b>	<b>1,013.89</b>	<b>1,382.58</b>	<b>3,082.41</b>
<b>Net Working Capital</b>	<b>439.30</b>	<b>414.01</b>	<b>2,419.06</b>

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or raise additional equity in a timely manner, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows.

**14. Our inability to manage the expansion of our products range and manufacturing capacities and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.**

Our inability to manage the expansion of our products range and manufacturing capacities and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing

preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion of our product range and manufacturing capacities to pursue existing and potential market opportunities. For details, see “*Business Overview*” on page 94. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce and innovate new products and maintain the quality of our products, general political and economic conditions in the geographies in which we operate, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

**15. There may be potential conflicts of interest if our Promoters, Promoters’ Group or Directors are involved in same business activities that compete with or are in the same line of activity as our business operations.**

Our Group Company/entity and our subsidiary company are involved in similar line of Business that is being carried out by our Company. Also our Company has entered into various transactions with our Group Companies, companies and will continue to do in future. For detailed information for our transaction with group Companies, companies please refer to Annexure - J of Restated financial Statement beginning on page no. 160 respectively of this Draft Red Herring Prospectus. Further, we have not entered into any non-compete agreement with our said entity. We cannot assure you that our Promoters, Promoter’s Group or Directors who have common interest in said entities may not favor the interest of the said entity. Any such present and future conflicts could have a material effect on our reputation, business, results of operations and financial condition which may affect our profitability and results of operations.

**16. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state and local government rules in India, generally for carrying out our business and for our manufacturing facilities. A majority of these approvals are granted for a limited duration. While we are required to obtain a number of approvals for legally conducting our business operations and we shall submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. For details, see “*Government and Other Approvals*” on page 174 of this Draft Red Herring Prospectus.

Our company has applied for few government approvals which are yet to be approved and few approvals are in the name of erstwhile LLP viz. Vital Chemtech Limited Liability Partnership. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry operations of our business, which may have an adverse effect on our business, financial condition and results of operations. For details, see “*Government and Other Approvals*” on page 174 of this Draft Red Herring Prospectus.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure by us to comply with the applicable regulations in the future, or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges non-compliance with these requirements, we may be subject to penalties and proceedings may be initiated against us.

The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

**17. Our insurance coverage may not be sufficient or adequate to protect us against all material hazards or business losses, which may adversely affect our business, results of operations and financial condition.**

Our operations are subject to hazards including inherent in chemical manufacturing facilities. Our principal types of coverage include property fire policy, stock fire policy, Public Liability Insurance, anti-burglary policy, accident policy. We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, to the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations and financial condition could be adversely affected. In addition, our insurance policies expire from time to time and we may not be able to renew our policies in a timely manner, or at acceptable cost.

We cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Further, an insurance claim once made could lead to an increase in our insurance premium, result in higher deductibles and also require us to spend towards addressing certain covenants specified by the insurance companies.

**18. Any defaults or delay in payment by a significant portion of our customers, may have an adverse effect on our cash flows, results of operations and financial condition.**

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In the ordinary course of business, we provide our customers with certain credit periods as part of our payment terms. While we generally limit the credit, we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer being unable to pay. We are exposed to credit risk from our operating activities, primarily from trade receivables. Our total trade receivable. Our total receivables as at March 31, 2022, March 31, 2021 and March 31, 2020 was ₹ 4,173.00 Lakhs, ₹ 1,364.51 Lakhs and ₹ 1,139.23 Lakhs respectively.

Our results of operations and profitability depends on the credit worthiness of our customers. We cannot assure that these customers will always be able to pay us in a timely manner, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Further, any increase in our receivable turnover days or write-offs will negatively affect our business. Any default or delays in payment of receivables by our customers may have adverse effect on cash flows, results of operations and financial condition.

**19. We face foreign exchange risks that could adversely affect our results of operations and cash flows.**

We are exposed to foreign currency fluctuation risk. Although, we closely follow our exposure to foreign currencies by entering into forward contracts to hedge our exposure in an attempt to reduce the risks of currency fluctuations, our results of operations, cash flows and financial performance could be adversely affected in case these currencies fluctuate significantly. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. we from time to time avail forward cover to minimise the foreign exchange related risks, we may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. While we selectively enter into hedging transactions to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks. For further details please refer to chapter titled as “Restated Financial Statement” on page 160 of this Draft Red Herring Prospectus.

In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue.

**20. We have certain contingent liabilities, which, if materialized, may affect our financial condition and results of operations.**

Our contingent liabilities as per AS 29 as of March 31, 2022 were as follows:

Particulars	As at March 31, 2022
LC Discounting	₹1,090.59 Lakhs

For further details of the contingent liabilities and commitments of our Company as on March 31, 2022, see “Restated Financial Information – Contingent Liabilities” starting from page 160. If a significant portion of these liabilities materialize, it could have an effect on our results of operations and financial condition. Further, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**21. Our Company has entered into certain related party transactions and may continue to do so in the future.**

Our Company has entered into related party transactions with our related parties for the year ended March 31, 2022, 2021 and 2020. While our Company believes that all such transactions have been conducted on the arm’s length basis, 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 continue to enter into related

party transactions 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 (ii)” “Restated Related Party Transactions” under Chapter titled “Restated Financial Information” beginning on page 160 of the Draft Red Herring Prospectus.

**22. *Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. As of May 31, 2022, we had 50 permanent employees. In additions to permanent employees, we also require employees on contract basis. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. 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. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management’s attention and result in increased costs. Some of the labours or the employees are members of a labour union. While there have been no strikes by such union in the past, we cannot assure that there will be no strikes or participation of our labour or employees in such strikes.

**23. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory in transit and prior to or during godown stocking. While we have not experienced any instance of theft, fraud, employee negligence and resultant loss in the past, the business may encounter some inventory loss on account of employee theft, vendor fraud and general administrative error, in the future. While we have obtained the anti – burglary insurance policy, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, theft of confidential information such as manufacturing processes, customers and product formulations, could adversely affect our results of operations and financial condition.

**24. *Significant disruptions of information technology systems or breaches of data security could adversely affect our business.***

We depend upon information technology systems and third party software, including internet-based systems, for our business operations, and these systems facilitate the flow of real-time information across departments and allows us to make information driven decisions and manage performance. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Any such disruption may result in the loss of key information and disrupt our operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Although we have not experienced any significant disruptions to, or security breaches of, our information technology systems, we cannot assure you that we will not encounter such disruptions in the future and any such disruptions or security breaches could have an adverse effect on our business and reputation.

**25. *The Company is dependent on few numbers of customers for sales. Loss of any of these large customers may affect our revenues and profitability.***

Our top ten customers Contributes 36.23%, 39.37%, 39.81% and 41.75% of our total sales for the period ended on March 31, 2022 from November 25, 2021, November 24, 2021 from April 01, 2021 and for the year ended March 31, 2021, and 2020 respectively on Restated Basis. Any decline in our quality standards, growing competition and any change in the demand, may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

**26. *The Company is dependent on few numbers of suppliers for purchase of product. Loss of any of this large supplier may affect our business operations.***

Our top ten suppliers (including goods imported) contributes 98.05%, 90.15%, 91.35% and 95.89% of our total purchase of our product/supplies for the period ended on March 31, 2022 from November 25, 2021, November 24, 2021 from April 01, 2021 and for the year ended March 31, 2021, and 2020 respectively on Restated Basis. We cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.

**27. *Changes in technology may affect our business by making our equipment or products less competitive or obsolete.***

Our future success will depend in part on our ability to respond to technological advances and emerging chemical Industry standards and practices on a cost-effective and timely basis. Changes in technology and product preferences may make newer chemical units or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial performance and the trading price of our Equity Shares could be adversely affected.

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

We have estimated fund raising to the extent of ₹ [●] Lakh to finance the ‘Objects of the Issue’ (including Issue Expenses). The proposed objects for which the funds are being raised have not been appraised by any Bank or Financial Institution and the fund requirements are based primarily on management estimates. There is no guarantee that our estimates will prove to be accurate and any significant deviation in the project cost could adversely impact our operations and sustainability in the absence of any independent monitoring agency. For details of the “*Object of the Issue*”, please refer Page no. 74 of this Draft Red Herring Prospectus.

**29. *We depend on certain brand names and our corporate name and logo that we may not be able to protect and/or maintain.***

Currently our company is using  as logo/trademark, which is not owned by it. Our Company has applied for trademark on July 19, 2022. Further, we cannot guarantee that our application for registration of the trademarks will be granted by the relevant authority or that there will not be instances where such applications are contested and/or objections are raised by third parties. In the event that we are unable to successfully defend such challenges or objections, we may be unsuccessful in obtaining the registration of our trademarks. Additionally, the use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business and loss of business to our company and ultimately effecting financial conditions of our company.

Our ability to market and sell our services depends upon the recognition of our brand names and associated consumer Goodwill. Currently, we do not have registered trademarks for our corporate name and logo under the Trade Marks Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the corporate name and logo of our company, which are currently pending. In the absence of such registrations, competitors and other companies may challenge the validity or scope of our intellectual property right over these brands or our corporate name or logo. As a result, we may be required to invest significant resources in developing new brands or names, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We may be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management’s attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition

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

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

**31. Our Promoter have provided their personal guaranties to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities.**

Our Promoter have provided their personal guaranties in relation to certain loan facilities availed of by us. In the event that any of these guarantees are revoked by promoter, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

We may not be successful in procuring alternative properties/guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

**32. We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.**

As of March 31, 2022, we have ₹ 3500.09 Lakhs of outstanding debt as per restated financials of the Company.

Our level of indebtedness has important consequences to us, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt bears interest at floating rates.

If any of these risks were to materialize, our business and results of operations may be adversely affected.

**33. Our Company has availed unsecured loans which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows.**

As on period ended on March 31, 2022, our Company has unsecured loans amounting to ₹ 2669.63 lakhs from lenders that are repayable on demand to them. Such loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition. For further details of unsecured loans of our Company, please refer “Annexure A.3.2 & A.3.3 Statement of Principal Terms of Secured & Unsecured Loans” respectively under chapter titled “Restated Financial Information” beginning on page 160 of this Draft Red Herring Prospectus.

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

We have secured outstanding debt of ₹ 830.46 Lakhs as on March 31, 2022 and we have secured our lenders by creating charge over our movable and immovable properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled “Restated Financial Information” on page 160 of this Draft Red Herring Prospectus.

**35. Our Promoter and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.**

Upon completion of this Issue, our Promoter and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoter and promoter group will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Our Promoter and promoter group will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoter and promoter group could conflict with the interests of our other equity shareholders, and the Promoter could make decisions that materially and adversely affect your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and promoter group, or the perception that such sales may occur may significantly affect the trading price of the Equity

Shares. Except as disclosed in “*Capital Structure*” on page no. 57 of this Draft Red Herring Prospectus, we cannot assure you that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future.

**36. *Our Company has a negative cash flow in its operating activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business***

Our Company has incurred negative cash flows from our operating activities as well as investing activities during our operating history as per the Restated Financial Information and the same are summarized as under:

(₹ In Lakhs)

Particulars	For period ended on March 31, 2022	For Period ended November 24, 2021	For year ended on March 31, 2021	For year ended on March 31, 2020
Net Cash Generated from Operating Activities	(1,341.45)	1,061.91	609.73	365.07

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

**37. *We may require additional financing for our business operations and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, fluctuations in interest rates could adversely affect our results of operations.***

We may require additional capital for our business operations. Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors including our financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. We cannot assure that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

Further, an increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. An increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

For further details regarding our business refer chapter titled “*Business Overview*” on page 94 of this Draft Red Herring Prospectus.

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

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

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

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

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

Our Promoter – Directors are interested in our Company to the extent of their shareholding, interest on unsecured loans and dividend entitlement thereon in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. Our Promoter and Directors are interested in the transactions entered into between our Company and

themselves as well as between our Company and our Group Company/Entity which may be or may not be at Arms' Length Price and in Ordinary Course of Business. If the transactions are executed not on Arms' Length Price and in Ordinary Course of Business, our financial position may get affected to that extent. For details of transactions already executed by our Company with our Promoter, Directors and Group Companies/Entities during last three years, please refer to the Chapter titled "Restated Financial Information" beginning on page 160 of the Draft Red Herring Prospectus.

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

We depend significantly on the expertise, experience and continued efforts of our Directors Mr. Vipul Jatashanker Bhatt, Mrs. Sangeeta Vipul Bhatt and Mr. Jay Vipul Bhatt and our other key managerial personnel. If one or more members of our Board or key managerial personnel are unable or unwilling to continue in his / her present position, it could be difficult to find a replacement. Our business could thereby be adversely affected. Opportunities for key managerial personnel in our industry are intense and it is possible that we may not be able to retain our existing key managerial personnel or may fail to attract / retain new employees at equivalent positions in the future. As such, any loss of key managerial personnel could adversely affect our business, operations and financial condition. For further details on the Management of our Company please refer to the chapter titled "Our Management" beginning on page 134 of this Draft Red Herring Prospectus.

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

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

For further details please refer to the chapter titled "Objects of the Issue" beginning on page no 74 of this Draft Red Herring Prospectus.

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

Certain information contained in this Draft Red Herring Prospectus like our funding requirements including proposed working capital requirement assessment and our proposed use of issue proceeds is based solely on management estimates. The estimated project dates as well as costs may change depending on the circumstances like changes in laws and regulations, competition, irregularities or claims with respect to title of land, the ability of third parties to complete their services, delays, cost overruns or modifications to our ongoing and planned projects. Such circumstances can have an impact on our financial condition and results of operation.

**43. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section "Objects of the Issue" on page no. 74 of the Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations.

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

We propose to utilize the Net Proceeds towards working capital requirement of our Company and general corporate purposes. For further details of the proposed objects of the Issue, see "Objects of the Issue" on page 74. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such

circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Company, if applicable, would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the issue, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter, if applicable, to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoter or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company.

Further, we cannot assure you that the Company, will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the issue to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of the issue Proceeds, if any, which may adversely affect our business and results of operations.

## **EXTERNAL RISK FACTORS**

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

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

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

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page no. 134 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

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

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

### ***4. Almost 100% of our Revenue is derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

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

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

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

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

Prior to this Issue, there has been no public market for our Equity Shares. Our Company has appointed Beeline Capital Advisors Private Limited as BRLM and also appointed [●] as Designated Market Maker for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors,

including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

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

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

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

The Issue Price of our Equity Shares is ₹ [●]/- This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page no. 81 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation the following;

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

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

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

**10. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. Such events may adversely affect our business and results of operations as well as the trading price of the Equity Shares.

**11. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including with regard to labour, foreign investment, stamp duty, customs duty and anti-dumping duty governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

**12. *If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**13. *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.***

Foreign ownership of Indian securities is subject to Government regulation. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is 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. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all. For further details, see "Restrictions on Foreign Ownership of Indian Securities" on page 228.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

**14. *After the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price, or at all.***

An active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares shall be determined through a book-building process 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.

**15. *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 gain realized on the sale of equity shares held for more than 12 months, 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.

Further, the Finance Act, 2022, which received the assent of the President of India on March 30, 2022, has, among others things, provided a number of amendments to the direct and indirect tax regime. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. There is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or in the industry we operate in.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

We are not a publicly listed company and have not, historically, been subjected to the compliance requirement or 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 SEBI Listing Regulations, which will require us to file audited annual and unaudited quarterly 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 publicly 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. 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 our business concerns, which may adversely affect our business, prospects, results of operations and financial condition. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

**17. *Any future issuance of Equity Shares, or stock options, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or stock options, or convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, and adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter or Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares.

**18. *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 and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.***

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 or withdraw their Bids during the Bid/Offer Period. While our Company is required to complete Allotment pursuant to the Issue within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

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

The Equity Shares will be listed on the Stock Exchanges. 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. After the Basis of Allotment is approved by the Designated Stock Exchange, the Company undertakes the Allotment and the demat account of the Allottees with depository participants in India are credited with the Equity Shares. The Allotment of Equity Shares in this Issue, the credit of such Equity Shares to the applicant's demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to complete within six working days of the Bid Closing Date (or such other period as prescribed under applicable laws). 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 as specified herein. We could also be required to pay interest at the applicable rates if allotment is not made, unblocking intimation/ refund intimation, as applicable are not dispatched or demat credits are not made to investors within the prescribed time periods.

**20. *The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations.***

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. There have been multiple waves of infections that have impacted certain countries, with India most recently experienced a third wave of infections that significantly increased the number of persons impacted by COVID-19. Since March 2021, there was a significant resurgence in the daily number of new COVID-19 cases and resulting deaths and the GoI and State governments in India re-imposed lockdowns and other more restrictive measures in an effort to stop the resurgence of new infections. These have all contributed to negative economic impact on the Indian economy and consequently our business and operations. It is possible that the COVID-19 pandemic will continue to cause a prolonged global economic crisis or recession.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities had reacted by taking measures, including in the regions in which we operate, such as prohibiting people from assembling in heavily populated areas, instituting quarantines, restricting travel, issuing lockdown orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown from March 25, 2020. The nationwide lockdown lasted until May 31, 2020, and has since been extended periodically in varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions had been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Similarly, we resumed our business activities on a gradual basis in line with the prevailing guidelines issued by the governmental authorities at that time.

From March 2021 onwards, due to a “second wave” of increases in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. We have monitored and are monitoring the situation closely and are operating our activities with the required workforce as permitted by governmental authorities. Additionally, towards the end of calendar year 2021, World Health Organisation designated Omicron, a variant that causes COVID – 19, of a great concern. As a result of the detection of new mutated strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, it is anticipated that we may be subject to further reinstatements of lockdown protocols or other restrictions, and the COVID-19 pandemic may continue to affect our business, results of operations and financial condition, in the future, in a number of ways such as:

- complete or partial closure of, or disruptions or restrictions on our ability to conduct, our manufacturing operations.
- our ability to travel, interact with potential customers, pursue partnerships and other business transactions.
- our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials;
- a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order, which could result in a slowdown in our operations.
- Our proposed products becoming delayed;
- Our inability to access debt and equity capital on acceptable terms, or at all;
- delays in orders or delivery of orders, which may negatively impact our cash conversion cycle and ability to convert our backlog into cash;
- inability to collect full or partial payments from customers due to deterioration in customer liquidity;
- uncertainty as to what conditions must be satisfied before government authorities completely lift lockdown orders;
- the potential negative impact on the health of our employees, particularly if a significant number of them are afflicted by
- COVID-19, could result in a deterioration in our ability to ensure business continuity during this disruption; and disruptions in supply chain leading to higher prices in raw material, impacting our profitability.

Further, our insurance policies may not provide adequate coverage in circumstances, such as the COVID-19 pandemic. For further details, please see “*Business Overview*” on page 94. For further details, please see “*Restated Financial Information*” on page 160. Any intensification or escalation of the COVID-19 pandemic of the Omicron variant or any future outbreak of another highly infectious or contagious disease may adversely affect our business, financial condition and results of operations. In addition, we generate a major part of our revenue through our operations in India. The effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this “Risk Factors” section.

## SECTION IV – INTRODUCTION

### THE ISSUE

Present Issue in terms of this Draft Red Herring Prospectus:

Particulars	Details
Equity Shares Issued*	Issue of upto 6400000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Of which:	
Reserved for Market Makers	[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Net Issue to the Public	[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Of which	
Allocation to Qualified Institutional Buyers	Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Non-Institutional Investors	Atleast [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Allocation to Retail Individual Investors	Atleast [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs
Equity Shares outstanding prior to the Issue	17551500 Equity Shares of ₹ 10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of ₹ 10/- each
Use of Proceeds	For details, please refer chapter titled “ <i>Objects of The Issue</i> ” beginning on Page no. 74 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

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

- (1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) and Regulation 253 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being issued to the public for subscription..
- (2) The present Issue has been authorized pursuant to a resolution of our Board dated June 28, 2022 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held on June 30, 2022.
- (3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- (4) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price.
- (5) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.

**SUMMARY OF FINANCIAL INFORMATION**

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

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	<b>A.1</b>	672.06	672.06	597.52	303.75
	Reserves & Surplus	<b>A.2</b>	670.94	0.00	0.00	0.00
	<b>Share application money pending allotment</b>		0.00	0.00	0.00	0.00
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	<b>A.3</b>	2,012.62	1,652.07	774.70	807.29
	Other Non-Current Liabilities		0.00	0.00	0.00	0.00
	Long-Term Provisions	<b>A.4</b>	6.48	7.32	5.99	2.93
	Deferred Tax Liabilities (Net)	<b>A.11</b>	161.73	41.23	49.39	44.15
<b>3</b>	<b>Current Liabilities</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Short Term Borrowings	<b>A.5</b>	1,487.47	-15.85	231.17	146.61
	Trade Payables:	<b>A.6</b>				
	(A) total outstanding dues of micro enterprises and small enterprises; and		264.38	142.06	44.47	50.01
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises."		2,477.17	3,401.87	1,143.05	854.41
	Other Current Liabilities	<b>A.7</b>	15.09	97.73	28.15	24.42
	Short Term Provisions	<b>A.8</b>	325.78	410.41	166.90	85.05
	<b>Total</b>		<b>8,093.71</b>	<b>6,408.90</b>	<b>3,041.34</b>	<b>2,318.61</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>	1,706.21	893.02	796.98	588.77
	Intangible Assets					
	Non-Current Investments	<b>A.10</b>	880.35	1,289.29	447.77	276.65
	Deferred Tax Assets		0.00	0.00	0.00	0.00
	Long Term Loans & Advances	<b>A.12</b>	18.10	12.21	11.99	11.99
	Other Non Current Assets	<b>A.13</b>	5.68	0.00	0.00	0.00
<b>2</b>	<b>Current Assets</b>					
	Current Investments		0.00	0.00	0.00	0.00
	Inventories	<b>A.14</b>	905.47	510.94	220.90	138.22
	Trade Receivables	<b>A.15</b>	4,173.00	2,716.87	1,364.51	1,139.23
	Cash and Cash Equivalents	<b>A.16</b>	39.14	23.17	103.18	3.59
	Short-Term Loans and Advances	<b>A.17</b>	7.23	129.57	2.44	67.17
	Other Current Assets	<b>A.18</b>	358.54	833.83	93.58	92.99
	<b>Total</b>		<b>8,093.71</b>	<b>6,408.90</b>	<b>3,041.34</b>	<b>2,318.61</b>

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

(₹ in Lakhs)

Sr. No	Particulars	Note No.	For the Period ended on March 31, 2022	For the Period ended on November 24, 2021	FY 2020-21	FY 2019-20
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	5,761.46	8,558.80	4,739.65	4,115.98
	Other income	<b>B.2</b>	25.51	45.47	28.81	45.26
	<b>Total revenue</b>		<b>5,786.96</b>	<b>8,604.27</b>	<b>4,768.46</b>	<b>4,161.24</b>
<b>B.</b>	<b>Expenses:</b>					
	Cost of Material Consumed	<b>B.3</b>	3,810.62	3,737.74	3,115.39	2,882.89
	Change in Inventories of WIP, Finished Goods & Stock in Trade	<b>B.4</b>	-33.61	-187.97	27.59	-28.25
	Employees Benefit Expenses	<b>B.5</b>	122.77	929.59	279.32	194.83
	Finance costs	<b>B.6</b>	38.31	82.24	110.33	139.30
	Depreciation and Amortization	<b>B.7</b>	57.57	78.71	91.88	88.97
	Other expenses	<b>B.8</b>	713.32	2,767.10	673.15	648.99
	<b>Total Expenses</b>		<b>4,708.97</b>	<b>7,407.42</b>	<b>4,297.67</b>	<b>3,926.72</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>1,077.99</b>	<b>1,196.85</b>	<b>470.79</b>	<b>234.52</b>
	Exceptional Items		0.00	0.00	0.00	0.00
	<b>Profit before extraordinary items and tax</b>		<b>1,077.99</b>	<b>1,196.85</b>	<b>470.79</b>	<b>234.52</b>
	Extraordinary items		0.00	0.00	0.00	0.00
	<b>Profit before tax</b>		<b>1,077.99</b>	<b>1,196.85</b>	<b>470.79</b>	<b>234.52</b>
	<b>Tax expense:</b>					
	Current tax		286.55	420.51	171.77	84.99
	Deferred Tax	<b>B.9</b>	120.50	-8.16	5.24	44.15
	Profit (Loss) for the period from continuing operations		<b>670.94</b>	<b>784.50</b>	<b>293.78</b>	<b>105.38</b>
	<b>Earning per equity share in ₹:</b>					
	(1) Basic		5.99	7.00	2.62	0.94
	(2) Diluted		5.99	7.00	2.62	0.94

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

(₹ in Lakhs)

Particulars	For the Period ended on March 31, 2022	For the Period ended on November 24, 2021	FY 2020-21	FY 2019-20
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	<b>1,077.99</b>	<b>1,196.85</b>	<b>470.79</b>	<b>234.52</b>
Adjustments for:				
Depreciation	57.57	78.71	91.88	88.97
Finance Cost	38.31	82.24	110.33	139.30
Interest Income	-5.25	-36.42	-19.44	-20.51
<b>Operating profit before working capital changes</b>	<b>1,168.62</b>	<b>1,321.38</b>	<b>653.56</b>	<b>442.29</b>
Movements in working capital :				
(Increase)/Decrease in Reserves	0.00	0.00	0.00	-9.70
(Increase)/Decrease in Inventories	-394.52	-290.05	-82.68	33.49
(Increase)/Decrease in Trade Receivables	-1,456.13	-1,352.36	-225.28	-230.20
(Increase)/Decrease in Loans & Advances	122.34	-127.13	64.74	-7.22
(Increase)/Decrease in Other Current Assets	475.29	-740.25	-0.59	-50.44
Increase/(Decrease) in Trade Payables	-802.38	2,356.41	283.09	251.33
Increase/(Decrease) in Other Current Liabilities	-82.64	69.58	3.74	-6.70
Increase/(Decrease) in Long Term Provisions	-0.84	1.34	3.06	2.93
Increase/(Decrease) in Short Term Provisions	-84.63	243.50	81.86	24.30
<b>Cash generated from operations</b>	<b>-2,223.52</b>	<b>161.03</b>	<b>127.94</b>	<b>7.78</b>
Adjustment on Account of Income Tax Expense	-286.55	-420.51	-171.77	-84.99
<b>Net cash from operating activities (A)</b>	<b>-1,341.45</b>	<b>1,061.91</b>	<b>609.73</b>	<b>365.07</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments	408.95	-841.52	-171.12	333.91
(Increase)/Decrease in Long Term Loans & Advances	-5.89	-0.22	0.00	-7.85
Interest Income	5.25	36.42	19.44	20.51
Sale/(Purchase) of Fixed Assets	-870.76	-174.76	-300.10	-90.05
(Increase)/Decrease in Other Non-Current Assets	-5.68	0.00	0.00	0.00
<b>Net cash from investing activities (B)</b>	<b>-468.14</b>	<b>-980.08</b>	<b>-451.77</b>	<b>256.51</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest/Other expenses paid on borrowings	-38.31	-82.24	-110.33	-139.30
Proceeds/(Repayment) of Long-Term Borrowings	360.55	167.36	-32.60	-463.41
Increase/(Decrease) in Short Term Borrowings	1,503.32	-247.02	84.55	-77.57
Increase/(Decrease) in Partner's Capital	0.00	0.06	0.00	0.00
<b>Net cash from financing activities (C)</b>	<b>1,825.56</b>	<b>-161.84</b>	<b>-58.37</b>	<b>-680.28</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>15.97</b>	<b>-80.01</b>	<b>99.59</b>	<b>-58.70</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>23.17</b>	<b>103.18</b>	<b>3.59</b>	<b>62.30</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>39.14</b>	<b>23.17</b>	<b>103.18</b>	<b>3.59</b>

## SECTION V - GENERAL INFORMATION

Our Company was originally incorporated as a private limited company on November 11, 2013, as ‘Rudra Chemtech Private Limited’, under the provisions of the Companies Act, 1956. Subsequently, Our Company was converted to Limited Liability Partnership Firm as ‘Rudra Chemtech Limited Liability Partnership’ having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 on February 12, 2015, under the LLP Act, 2008. Thereafter, on February 20, 2015, name was changed to ‘Vital Chemtech Limited Liability Partnership’ pursuant to Rule 20(3) of the LLP Rules, 2009. Later on, our Limited Liability Partnership was converted to Public Limited Company under section 366 Part I chapter XXI of the Companies Act, 2013 as ‘Vital Chemtech Limited’ and fresh Certificate of Incorporation dated November 25, 2021, was issued by Assistant Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24299GJ2021PLC127538..

For further details including details of change in registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page 130 of this Draft Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details
<b>Name of Issuer</b>	Vital Chemtech Limited
<b>Registered Office</b>	B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad – 380015, Gujarat, India <b>Telephone No:</b> +91 79 4600 5840 <b>Website:</b> <a href="http://www.vitalgroup.co.in">www.vitalgroup.co.in</a> <b>E-Mail:</b> <a href="mailto:info@vitalgroup.co.in">info@vitalgroup.co.in</a> <b>Contact Person:</b> Mrs. Puja Paras Mehta
<b>Corporate Office</b>	Not Applicable
<b>Date of Incorporation</b>	November 25, 2021
<b>Company Identification Number</b>	U24299GJ2021PLC127538
<b>Company Registration Number</b>	127538
<b>Company Category</b>	Company Limited by Shares
<b>Registrar of Companies</b>	ROC-Ahmedabad
<b>Address of the RoC</b>	ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 <b>Phone:</b> 079-27438531, <b>Fax:</b> 079-27438371
<b>Company Secretary and Compliance Officer</b>	<b>Mrs. Puja Paras Mehta</b> C/o. Vital Chemtech Limited B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad – 380015, Gujarat, India <b>Telephone No:</b> +91 79 4600 5840 <b>Website:</b> <a href="http://www.vitalgroup.co.in">www.vitalgroup.co.in</a> <b>E-Mail:</b> <a href="mailto:compliance@vitalgroup.co.in">compliance@vitalgroup.co.in</a>
<b>Designated Stock Exchange</b>	EMERGE Platform of National Stock Exchange of India Limited <b>Address:</b> Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra I, Mumbai – 400051
<b>Issue Programme</b>	<b>Issue Opens On:</b> [●] <b>Issue Closes On:</b> [●]

#### Note:

Investors can contact the Company Secretary and Compliance Officer in case of any pre-issue or post-issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

All grievances relating to the ASBA process and UPI Process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted or Sponsor Bank, as the case may be. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, UPI ID (in case of RII’s if applicable), date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries/SCSB in addition to the information mentioned hereinabove.

## BOARD OF DIRECTORS OF OUR COMPANY

The Board of Directors of our Company consists of:

Sr. No.	Name of Directors	Designation	Address	DIN
1.	Mr. Vipul Jatashanker Bhatt	Chairman and Managing Director	15, Sector-9, Kalhaar Bungalows, Nandoli, Rancharada, Gandhinagar-382115, Gujarat.	06716658
2.	Mr. Jay Vipul Bhatt	Whole Time Director	15, Sector-9, Kalhaar Bungalows, Nandoli, Rancharada, Gandhinagar-382115, Gujarat.	09363173
3.	Mrs. Sangeeta Vipul Bhatt	Whole Time Director	15, Sector-9, Kalhaar Bungalows, Nandoli, Rancharada, Gandhinagar-382115, Gujarat.	06716704
4.	Mr. Deepakkumar Kushalchandra Chaubisa	Independent Director	03, Kumbhnath Mahadev Chawl, Near- Kumbhnath Mahadev, Asarva, Ahmedabad-380016.	09629889
5.	Mr. Hetalkumar Jayantilal Shah	Independent Director	73-A, Mansi Society, B/h Sardar Patel School, Maninagar, Ahmedabad-380008	07457701

For further details pertaining to the education qualification and experience of our directors, please refer the chapter titled "Our Management" beginning on page no 134 of this Draft Red Herring prospectus.

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

BOOK RUNNING LEAD MANAGER OF THE ISSUE	ADVISOR TO THE ISSUE
	
<p><b>BEELINE CAPITAL ADVISORS PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b> INM000012917  <b>Address:</b> 807, Phoenix, Opp. Girishs Cold Drinks, Near Vijay Cross-Roads, Navrangpura, Ahmedabad -380009, Gujarat.  <b>Telephone Number:</b> 079-48405357  <b>Email Id:</b> <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a>  <b>Investors Grievance Id:</b> <a href="mailto:ig@beelinemb.com">ig@beelinemb.com</a>  <b>Website:</b> <a href="http://www.beelinemb.com">www.beelinemb.com</a>  <b>Contact Person:</b> Mr. Nikhil Shah  <b>CIN:</b> U67190GJ2020PTC114322</p>	<p><b>STEPUP CAPITAL ADVISORS LLP</b>  <b>Address:</b> 407, Tilakraj Complex, Panchvati, First Lane, Ellisbridge, Ahmedabad, Gujarat – 380006  <b>Contact Person:</b> Yogesh Jain  <b>Mobile Number:</b> +91 96876 92225  <b>Email Id:</b> <a href="mailto:yogeshjain@stepupcapital.in">yogeshjain@stepupcapital.in</a>  <b>Website:</b> <a href="http://www.stepupcapital.in">www.stepupcapital.in</a></p>
LEGAL ADVISOR TO THE COMPANY	STATUTORY & PEER REVIEW AUDITOR OF THE COMPANY
<p><b>ANA ADVISORS</b>  <b>Address:</b> 118 Shila Vihar, Gokulpura, Kalwar Road Jhotwara, Jaipur-302012  <b>Tel No.:</b> +91-9887906529  <b>Email:</b> <a href="mailto:anaadvisors22@gmail.com">anaadvisors22@gmail.com</a>  <b>Contact Person:</b> Kamlesh Kumar Goyal</p>	<p><b>M/s. ABHISHEK KUMAR &amp; ASSOCIATES,</b>  Chartered Accountants  <b>Address:</b> 401, Fourth Floor, Silicon Tower, Above Freezland, Nr. Samartheswar Mahadev Temple, Law Garden, Navrangpura, Ahmedabad – 380009, Gujarat.  <b>Mobile No.:</b> +91 9227404064  <b>Email:</b> <a href="mailto:abhisheksagrawal@yahoo.co.in">abhisheksagrawal@yahoo.co.in</a>  <b>Contact Person:</b> CA Abhishek Agrawal  <b>Membership Number:</b> 132305  <b>Firm Registration Number:</b> 130052W  <b>Peer Review Certificate Number:</b> 011266</p>

BANKERS TO THE COMPANY	REGISTRAR TO THE ISSUE
<b>AXIS BANK LIMITED</b> <b>Address:</b> 2 <sup>nd</sup> Floor, 3 <sup>rd</sup> Eye One, C. G. Road, Ahmedabad – 380009, Gujarat, India <b>Tel. No:</b> 079 – 66147108 <b>Fax:</b> 079 – 66147108 <b>Email:</b> <a href="mailto:prashant.thakur@axisbank.com">prashant.thakur@axisbank.com</a> <b>Website:</b> <a href="http://www.axisbank.com">www.axisbank.com</a> <b>Contact Person:</b> Mr. Prashant Singh Thakur	<b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b> <b>SEBI Registration Number:</b> INR000003241 <b>Address:</b> D-153A, 1 <sup>st</sup> Floor, Okhla Industrial Area Phase-I, New Delhi – 110020, India. <b>Tel. Number:</b> 011-40450193-197 <b>Fax-</b> 011-26812683 <b>Email Id:</b> <a href="mailto:compliances@skylinerta.com">compliances@skylinerta.com</a> <b>Investors Grievance Id:</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a> <b>Website:</b> <a href="http://www.skylinerta.com">www.skylinerta.com</a> <b>Contact Person:</b> Mr. Alok Gautam <b>CIN:</b> U74899DL1995PTC071324
SYNDICATE MEMBER	BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK
<b>[•]</b> <i>Note: These details will be updated before filing Red Herring Prospectus with Registrar of Company</i>	<b>[•]</b> <i>Note: These details will be updated before filing Red Herring Prospectus with Registrar of Company</i>

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

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

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

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

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

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

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

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

## BROKERS TO THE ISSUE

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

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

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

## COLLECTING DEPOSITORY PARTICIPANTS

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Beeline Capital Advisors Private Limited is only Book Running Lead Manager to the Issue, a statement of inter se allocation of responsibilities among Book Running Lead Managers is not required.

## CREDIT RATING

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

## IPO GRADING

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

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

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

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

A copy of the Red Herring Prospectus/ Red Herring Prospectus / Prospectus, along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the RoC Office situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013 Phone: 079-27438531, Fax: 079-27438371.

### **CHANGES IN AUDITORS**

Our Company has appointed M/s. Abhishek Kumar & Associates, Chartered Accountants, Ahmedabad as its first auditor on December 01, 2021.

### **TRUSTEES**

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

### **APPRAISAL AND MONITORING AGENCY**

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

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

### **BOOK BUILDING PROCESS**

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

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager in this case being Beeline Capital Advisors Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with NSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

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

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

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

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

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Issue Procedure*” beginning on page 203 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 203 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 Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 203 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 Issue 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/Issue Program:**

Event	Indicative Dates
Bid/Issue Opening Date	[●]
Bid/Issue 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 [●]

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

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

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

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional 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/ Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular 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 Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

#### **WITHDRAWAL OF THE ISSUE**

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

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

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

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

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on [●]. 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 Issued through this Issue:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of the total Issue Size Underwritten
[●]	[●]	[●]	[●]

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

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

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Book Running Lead Manager have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

[●]

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

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

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being Issued by the Market Maker(s).
- 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 Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the [●] Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.

- 5) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- 6) 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.
- 7) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Issue price.
- 8) The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 9) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 10) The Market Maker(s) shall have the right to terminate said arrangement by giving a One month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

- 11) Risk containment measures and monitoring for Market Makers: Emerge Platform of NSE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- 12) Punitive Action in case of default by Market Makers: Emerge Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing 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.
- 13) 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.
- 14) Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
- 15) 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.
- 16) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.
- 17) Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- 18) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)</b>	<b>Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)</b>
₹ 20 Crore To ₹ 50 Crore	20%	19%
₹ 50 Crore To ₹ 80 Crore	15%	14%
Above ₹80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE from time to time.

## SECTION –I - CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of the Draft Red Herring Prospectus, is set forth below:

(₹ In Lakh except per share amount)

Sr. No.	Particulars	Aggregate Nominal value	Aggregate value at issue price
1.	<b>AUTHORIZED SHARE CAPITAL</b> 25000000 Equity Shares of face value of ₹ 10/- each	2,500.00	-
2.	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE</b> 17551500 Equity Shares of face value of ₹ 10/- each	1,755.15	-
3.	<b>PRESENT ISSUE IN TERMS OF THE DRAFT RED HERRING PROSPECTUS</b>		
	Issue of upto 6400000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share.	[●]	[●]
	<b>Which comprises</b>		
	<b>Reservation for Market Maker:</b> [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share reserved as Market Maker Portion	[●]	[●]
	<b>Net Issue to Public:</b> [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share to the Public	[●]	[●]
	<b>Net Issue to Public consists of</b>		
	<b>Allocation to Qualified Institutional Buyers:</b> Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	<b>Allocation to Non-Institutional Investors:</b> Atleast [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Non-Institutional Investors	[●]	[●]
	<b>Allocation to Retail Individual Investors:</b> Atleast [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Retail Investors	[●]	[●]
4.	<b>PAID UP EQUITY CAPITAL AFTER THE ISSUE</b> Upto 23951500 Equity Shares of ₹ 10/- each	[●]	-
5.	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue	NIL	
	After the Issue	[●]	

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 28, 2022 and by the shareholders of our Company vide a special resolution passed at the EoGM held on June 30, 2022.

### CLASS OF SHARES

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Red Herring Prospectus.

Our Company does not have any partly paid-up equity shares as on the date of this Draft Red Herring Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE:

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

Since Incorporation of our Company, the authorized equity share capital of our Company has been changed in the manner set forth below:

Sr. No.	Particulars of Increase	Cumulative no. of Equity Shares	Cumulative Authorized Share Capital (₹ in Lakh)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	6720600	672.06	N.A.	N.A.
2.	Increase in authorized equity capital from ₹ 672.06 Lakhs to ₹ 1,400.00 Lakhs	14000000	1,400.00	February 20, 2022	EGM
3.	Increase in authorized equity capital from ₹ 1,400.00 Lakhs to ₹ 2,500.00 Lakhs	25000000	2,500.00	June 02, 2022	EGM

## 2. History of Paid-up Share Capital:

Our company has been converted from LLP to Public Limited company. Below are the details of the partner's Capital of erstwhile LLP "Vital Chemtech LLP"

Sr. No.	Name of Allottee	As on November 24, 2021		As on March 31					
		Amount	%	2021		2020		2019	
				Amount	%	Amount	%	Amount	%
1.	Vipul Jatashanker Bhatt	5,04,00,000	74.99	75,000	75.00	75,000	75.00	75,000	75.00
2.	Sangeeta Vipul Bhatt	1,68,00,000	25.00	25,000	25.00	25,000	25.00	25,000	25.00
3.	Jay Vipul Bhatt*	1,200	0.002	-	-	-	-	-	-
4.	Vipul Jatashanker Bhatt - HUF*	1,200	0.002	-	-	-	-	-	-
5.	Keyaa Vipul Bhatt*	1,200	0.002	-	-	-	-	-	-
6.	Hitesh Jatashankar Bhatt*	1,200	0.002	-	-	-	-	-	-
7.	Dhaval Hashmukhbhai Pandya*	1,200	0.002	-	-	-	-	-	-
<b>Total</b>		<b>6,72,06,000</b>	<b>100</b>	<b>1,00,000</b>	<b>100</b>	<b>1,00,000</b>	<b>100</b>	<b>1,00,000</b>	<b>100</b>

\* Have joined as partner in Vital Chemtech LLP with effect from October 18, 2021.

Note: The above information is based on audited financials of Vital Chemtech LLP.

Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

Date of allotment	Nature of allotment	No. of Equity Shares allotted	Face value (In ₹)	Issue price (In ₹)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up share Capital (₹ in Lakh)	Cumulative Share Premium (In ₹ Lakhs)
November 25, 2021	Subscription to Memorandum of Association <sup>(1)</sup>	6720600	10	10	Cash	6720600	672.06	0.00
May 28, 2022	Right Issue <sup>(2)</sup>	300000	10	100	Cash	7020600	702.06	270.00
June 13, 2022	Bonus Issue <sup>(3)</sup>	10530900	10	NIL	Other than Cash	17551500	1755.15	NIL

<sup>(1)</sup> The details of allotment of 6720600 Fully Paid-up Equity Shares made to the subscribers to the Memorandum of Associations upon conversion of LLP to company, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Vipul Jatashanker Bhatt	5040000	10	10

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
2.	Sangeeta Vipul Bhatt	1680000	10	10
3.	Jay Vipul Bhatt	120	10	10
4.	Vipul Jatashanker Bhatt - HUF	120	10	10
5.	Keyaa Vipul Bhatt	120	10	10
6.	Hitesh Jatashankar Bhatt	120	10	10
7.	Dhaval Hashmukhbhai Pandya	120	10	10
<b>Total</b>		<b>6720600</b>	<b>-</b>	<b>-</b>

(2) The details of allotment of 300000 Equity Shares made on May 28, 2022 under Right Issue, in ratio of 1:22 i.e. 1 Equity Share for every 22 Equity Share held on May 28, 2022, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Vipul Jatashanker Bhatt	225000	10	100
2.	Sangeeta Vipul Bhatt	75000	10	100
<b>Total</b>		<b>300000</b>	<b>-</b>	<b>-</b>

(3) The details of allotment of 10530900 Equity Shares made on June 13, 2022 under Bonus Issue, in ratio of 3:2 i.e. 3 Equity Shares for every 2 Equity Shares held on June 10, 2022, are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)
1.	Vipul Jatashanker Bhatt	7897500	10	NIL
2.	Sangeeta Vipul Bhatt	2632500	10	
3.	Jay Vipul Bhatt	180	10	
4.	Vipul Jatashanker Bhatt – HUF	180	10	
5.	Keyaa Vipul Bhatt	180	10	
6.	Hitesh Jatashankar Bhatt	180	10	
7.	Dhaval Hashmukhbhai Pandya	180	10	
<b>Total</b>		<b>10530900</b>		<b>-</b>

- Our Company has not issued shares for consideration other than cash or out of revaluation of reserves at any point of time since Incorporation except for allotment of Bonus Equity Shares on June 13, 2022 in the ratio of 3:2 i.e. 3 (three) new Equity Shares for every 2 (two) Equity shares held, details of which are provided in point 2 (3) of this chapter.
- Our Company has not allotted any Equity Shares pursuant to any scheme approved Sections 230 to 234 of the Companies Act, 2013.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company has not made allotment at price lower than the Issue Price during past one year from the date of the Draft Red Herring Prospectus except mentioned below:

The details of allotment of 10530900 Equity Shares made on June 13, 2022 under Bonus Issue, in ratio of 3:2 i.e. 3 Equity Shares for every 2 Equity Shares held on June 10, 2022, are as follows:

Sr. No.	Name of Allottees	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)	Reason for allotment
1.	Vipul Jatashanker Bhatt	7897500	10	NIL	Capitalization of reserves and Surplus
2.	Sangeeta Vipul Bhatt	2632500	10		
3.	Jay Vipul Bhatt	180	10		
4.	Vipul Jatashanker Bhatt - HUF	180	10		
5.	Keyaa Vipul Bhatt	180	10		
6.	Hitesh Jatashankar Bhatt	180	10		

Sr. No.	Name of Allottees	No. of Equity Shares Allotted	Face Value per share (in ₹)	Issue Price per share (in ₹)	Reason for allotment
7.	Dhaval Hashmukhbhai Pandya	180	10		
<b>Total</b>		<b>10530900</b>		-	

7. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

#### 8. Our Shareholding Pattern:

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

#### Declaration

Sr. No.	Particular	Yes/No	Promoter and Promoter Group	Public shareholder	Non-Promoter – Non-Public
1.	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in locked-in?*	No	No	No	No
6.	Whether any shares held by Promoter are pledge or otherwise encumbered?	No	No	NA	NA
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 prior to listing of shares on Emerge Platform of NSE.

(A). Table-I - Summary Statement holding of Equity Shares

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) 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 (eg: X)	Class (eg: Y)	Total								
(A)	Promoter & Promoter Group	7	17551500	0	0	17551500	100.00	17551500	0	17551500	100.00	0	100.00	0	0	0	0	17551500
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)	Non-Promoter-Non Public																	
(C 1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C 2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>7</b>	<b>17551500</b>	<b>0</b>	<b>0</b>	<b>17551500</b>	<b>100.00</b>	<b>17551500</b>	<b>0</b>	<b>17551500</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17551500</b>
<b>Note:</b>																		
1.	<b>C=C1+C2</b>																	
2.	<b>Grand Total=A+B+C</b>																	

**(B). Table –I - Statement showing shareholding pattern of the Promoter and Promoter’s Group**

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) 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 (eg: X)	Class (eg: Y)	Total									
(1)	<b>Indian</b>																		
(a)	Individuals/Hindu undivided Family	7	17551500	0	0	17551500	100.00	17551500	0	17551500	100.00	0	100.00	[●]	[●]	0	0	17551500	
1	Vipul Jatashanker Bhatt (P)	-	13162500	0	0	13162500	74.99	13162500	0	13162500	74.99	0	74.99	[●]	[●]	0	0.00	13162500	
2	Sangeeta Vipul Bhatt (PG)	-	4387500	0	0	4387500	24.99	4387500	0	4387500	24.99	0	24.99	[●]	[●]	0	0.00	4387500	
3	Jay Vipul Bhatt (PG)	-	300	0	0	300	Negligible	300	0	300	Negligible	0	Negligible	[●]	[●]	0	0.00	300	
4	Vipul Jatashanker Bhatt – HUF (PG)	-	300	0	0	300	Negligible	300	0	300	Negligible	0	Negligible	[●]	[●]	0	0.00	300	
5	Keyaa Vipul Bhatt (PG)	-	300	0	0	300	Negligible	300	0	300	Negligible	0	Negligible	[●]	[●]	0	0.00	300	
6	Hitesh Jatashankar Bhatt (PG)	-	300	0	0	300	Negligible	300	0	300	Negligible	0	Negligible	[●]	[●]	0	0.00	300	
7	Dhaval Hashmukhbhai Pandya (PG)	-	300	0	0	300	Negligible	300	0	300	Negligible	0	Negligible	[●]	[●]	0	0.00	300	

(b)	Central Government/ State Government(s)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0	0
(c)	Financial Institutions/ Banks	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(1)</b>	<b>7</b>	<b>17551500</b>	<b>0</b>	<b>0</b>	<b>17551500</b>	<b>100.00</b>	<b>17551500</b>	<b>0</b>	<b>17551500</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>[•]</b>	<b>[•]</b>	<b>0</b>	<b>0</b>	<b>17551500</b>
<b>(2)</b>	<b>Foreign</b>																	
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter' Group (A)=(A)(1)+(A)(2)</b>	<b>7</b>	<b>17551500</b>	<b>0</b>	<b>0</b>	<b>17551500</b>	<b>100.00</b>	<b>17551500</b>	<b>0</b>	<b>17551500</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>[•]</b>	<b>[•]</b>	<b>0</b>	<b>0</b>	<b>17551500</b>

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen et-. - N.A.

**Note:**

1. PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s).
2. The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
3. P= Promoter  
PG= Promoter Group

(C). Table I-I - Statement showing shareholding pattern of the public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) 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 (eg: X)	Class (eg: Y)	Total									
B1	Institutions																		
	Foreign Portfolio Investors	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00
	Sub Total B1	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00
B2	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00
B3	Non-Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00
	Individual share capital upto ₹ 2 Lacs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00
	Individual share capital in excess of ₹ 2 Lacs	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00
	Any Other (specify)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00
	HUF	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00

Non-Resident Indian (NRI)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
LLP	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
Bodies Corporate	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
Clearing Members	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0	0.00	0	0.00	0
<b>Sub Total B3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>B=B1+B2+B3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

**Note:**

1. PAN would not be displayed on website of Stock Exchange(s).
2. The above format needs to disclose name of all holders holding more than 1% of total number of shares
3. W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available

(D). Table –V - Statement showing shareholding pattern of the Non-Promoter- Non Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) 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 (eg: X)	Class (eg: Y)	Total									
(A)	Custodian/DR Hold-r - Name of DR Holders (If Available)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	0	0.00	0	0	
(B)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0.00	0	0.00	0	0.00	0
	<b>Total Non-Promoter- Non Public Shareholder(I)=I (1)+(C)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Note:</b>																			
1.	PAN would not be displayed on website of Stock Exchange(s).																		
2.	The above format needs to disclose name of all holders holding more than 1% of total number of shares																		
3.	W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available																		

9. The shareholding pattern of our Promoter and Promoter's Group and public before and after the Issue:

Sr. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity shares	As a % of Pre-Issued Capital*	No. of equity shares	As a % of Post Issued Capital
<b>Promoter</b>					
1.	Vipul Jatashanker Bhatt	13162500	74.99	13162500	[●]
<b>Total - A</b>		<b>13162500</b>	<b>74.99</b>	<b>13162500</b>	<b>[●]</b>
<b>Promoter's Group</b>					
1.	Sangeeta Vipul Bhatt	4387500	24.99	4387500	[●]
2.	Jay Vipul Bhatt	300	Negligible	300	[●]
3.	Vipul Jatasha-kar Bhatt - HUF	300	Negligible	300	[●]
4.	Keyaa Vipul Bhatt	300	Negligible	300	[●]
5.	Hitesh Jatashanker Bhatt	300	Negligible	300	[●]
6.	Dhaval Hashmukhbhai Pandya	300	Negligible	300	[●]
<b>Total - B</b>		<b>4389000</b>	<b>25.01</b>	<b>4389000</b>	<b>[●]</b>
<b>Public</b>					
1.	Public in IPO	-	-	[●]	[●]
<b>Total - C</b>		<b>-</b>	<b>-</b>	<b>[●]</b>	<b>[●]</b>
<b>Total Promoter and Promoter's Group (A+B)</b>		<b>17551500</b>	<b>100.00</b>	<b>[●]</b>	<b>100.00</b>

10. Details of Major Shareholders:

(A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Pre-issue paid up Capital
1.	Vipul Jatashanker Bhatt	13162500	74.99
2.	Sangeeta Vipul Bhatt	4387500	24.99
<b>Total</b>		<b>17550000</b>	<b>99.98</b>

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of Pre-issue paid up Capital
1.	Vipul Jatashanker Bhatt	13162500	74.99
2.	Sangeeta Vipul Bhatt	4387500	24.99
<b>Total</b>		<b>17550000</b>	<b>99.98</b>

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on One year prior to the date of the Draft Red Herring Prospectus:

The company is incorporated on November 25, 2021, hence not applicable.

(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on Two years prior to the date of the Draft Red Herring Prospectus:

The company is incorporated on November 25, 2021, hence not applicable.

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Draft Red Herring Prospectus.

As on the date of filing the Draft Red Herring Prospectus document, our Company does not have any such plan for altering the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement.

Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or for any other purpose, as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

## 12. Shareholding of the Promoter of our Company:

As on the date of the Draft Red Herring Prospectus, our Promoter Vipul Jatashanker Bhatt holds total 13162500 Equity Shares representing 74.99% of the pre-issue paid up equity share capital of our Company. The build-up of equity shareholding of Promoter of our Company is as follows:

VIPUL JATASHANKER BHATT								
Date of Allotment / Transfer	Nature of Issue Allotment / Transfer	Number of Equity shares	Cumulative No. of Equity Shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Total Consideration Paid (in ₹)	% of Pre Issue Capital	% of post issue Capital
November 25, 2021	Subscription to Memorandum of Association	5040000	5040000	10	10	5,04,00,000	28.72	[•]
May 28, 2022	Allotment under Right Issue	225000	5265000	10	100	2,25,00,000	1.28	[•]
June 13, 2022	Allotment under Bonus Issue	7897500	13162500	10	NIL	-	44.99	[•]
<b>Total</b>		<b>13162500</b>				<b>7,29,00,000</b>	<b>74.99</b>	<b>[•]</b>

13. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:

Sr. No.	Name of Promoter	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)*
1.	Vipul Jatashanker Bhatt	13162500	5.5385

\*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire Shares and Shares allotted to him against his outstanding credit balance in capital account in erstwhile LLP and as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.

14. We have 7 (Seven) shareholders as on the date of filing of the Draft Red Herring Prospectus.

15. As on the date of the Draft Red Herring Prospectus, our Promoter and Promoter' Group hold total 17551500 Equity Shares representing 100% of the pre-issue paid up share capital of our Company.

16. Except as mentioned below, there were no shares purchased/sold by the Promoter(s) and Promoter Group, directors of our Company and their relatives during last six months.

Date of allotment / transfer	Name of allottee / transferee	Party category	No. of Equity Shares allotted / transferred	Face Value (₹)	Issue Price (₹)	Nature of transaction
May 28, 2022	Vipul Jatashanker Bhatt	Promoter	225000	10	100	Right Issue
	Sangeeta Vipul Bhatt	Promoter Group	75000			
June 13, 2022	Vipul Jatashanker Bhatt	Promoter	7897500	10	Not Applicable	Allotment under Bonus Issue
	Sangeeta Vipul Bhatt	Promoter Group	2632500			
	Jay Vipul Bhatt	Promoter Group	180			

Date of allotment / transfer	Name of allottee / transferee	Party category	No. of Equity Shares allotted / transferred	Face Value (₹)	Issue Price (₹)	Nature of transaction
	Vipul Jatasha-kar Bhatt - HUF	Promoter Group	180			
	Keyaa Vipul Bhatt	Promoter Group	180			
	Hitesh Jatashankar Bhatt	Promoter Group	180			
	Dhaval Hashmukhbhai Pandya	Promoter Group	180			

17. The members of the Promoter’s Group, our directors and the relatives of our directors 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 six months immediately preceding the date of filing the Draft Red Herring Prospectus.

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

Our Promoter have given written consent to include [●] Equity Shares subscribed and held by him as a part of Minimum Promoter’s Contribution constituting 20.00% of the post issue Paid-up Equity Shares Capital of our Company (“Minimum Promoter’s contribution”) in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoter’s Contribution, and to be marked Minimum Promoter’s Contribution as locked-in.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoter’s Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

*Explanation: The “xpression “date of commencement of commercial”production” means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilized as stated in the offer document, is expected to commence.*

*In our case, the company is going to utilize proceeds of issue towards existing projects of the company. Therefore, Minimum Promoter’s Contribution shall be locked in for a period of 3 years from date of allotment in Initial Public Offer.*

We further confirm that Minimum Promoter’s Contribution of 20.00% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoter’s Contribution has been brought into to the extent of not less than the 20.00% of the Post Issue Capital and has been contributed by the persons defined as Promoter under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoter’s Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of Minimum Promoter’s Contribution are as follows:

VIPUL JATASHANKER BHATT									
Date of Allotment / Transfer	Date when Fully Paid-up	Nature of Issue/ Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	Source of Contribution	% of Pre issue Capital	% of post issue Capital	Date up to which Equity Shares are subject to Lock-in
November 25, 2021	November 25, 2021	Subscription to Memorandum of Association	2,700,000	10	10	From Credit Balance of Partner's Capital Account outstanding for a period more than one year	15.38	[●]	3 Years
			2,340,000			From Credit Balance of Partner's Capital Account	13.33	[●]	1 Year
May 28, 2022	May 28, 2022	Allotment under Right Issue	225,000	10	100	[●]*	1.28	[●]	3 Years
June 13, 2022	June 13, 2022	Allotment under Bonus Issue	1,865,300	10	NIL	NA	10.63	[●]	3 Years
			6,032,200		NIL		34.37	[●]	1 Year
<b>Total</b>			13,162,500				74.99	[●]	

\* The Source of Contribution as certified by [●], Chartered Accountants, vide their certificate dated [●] vide UDIN: [●].

All the Equity Shares held by the Promoter / members of the Promoter's Group are in already dematerialized as on date of this Draft Red Herring Prospectus.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoter's Contribution of 20.00% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
  - consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
  - resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoter's contribution;
- The Equity Shares held by the Promoter and offered for Minimum Promoter's contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoter during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- As per Regulation 237 (1) if the Shares are issued to the promoter during the preceding One Year at a price less than the Price at which specified securities are being offer to the public in initial public offer is ineligible for minimum Promoter's contribution.
- However as I clause (c) of sub regulation (1) of Regulation 237 of SEBI (ICDR), 2018 specified securities allotted to Promoter during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the Promoter of the issuer and there is no change in the management:

Provided that specified securities, allotted to Promoter against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible;

In our Company Equity Shares have been allotted to promoters Mr. Vipul Jatashanker Bhatt at a price lower than the Price at which specified securities are being offer to the public in initial public offer, but the said equity shares are eligible for the minimum promoters contribution as per proviso to clause (c) of sub Regulation (1) of Regulation 237 of SEBI (ICDR), 2018, Equity Shares allotted to promoter against Capital existing in LLP for a period of more than one year on a continuous basis:

Capital Account of Mr. Vipul Jatashanker Bhatt as per audited Financials of erstwhile LLP viz. Vital Chemtech LLP  
(Amount in ₹)

Particulars	Partner's Capital	
	March 31, 2021	March 31, 2020
Partners Fixed Capital Capital	100,000	100000
Partners Current Capital	67,291,971	37,106,423
<b>Total</b>	<b>68,291,971</b>	<b>38,106,423</b>
Capital of Mr. Vipul Jatashanker Bhatt held on continuous basis for a period of one year as per clause (c) of sub Regulation (1) of Regulation 237 of SEBI (ICDR), 2018	51,218,978	28,579,817
Number of Shares eligible for Minimum Promoter's Contribution being Equity Shares allotted to promoter against Capital existing in LLP for a period of more than one year on a continuous as per clause (c) of sub Regulation (1) of Regulation 237 of SEBI (ICDR), 2018	-	2,857,982

Number of Shares eligible for Minimum Promoter's Contribution 2857982 being Equity Shares allotted to promoter against Capital existing in LLP for a period of more than one year on a continuous basis

#### 19. Lock in of Equity Shares held by Promoter in excess of Minimum Promoter's contribution:

In addition to Minimum Promoter's Contribution which shall be locked-in for three years, the balance [●] Equity Shares held by Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

#### 20. Lock in of Equity Shares held by Persons other than the Promoter:

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 4389000 Equity shares held by the Persons other than Promoter shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

#### 21. Inscription or recording of non-transferability:

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

#### 22. Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoter and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoter's Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoter in excess of Minimum Promoter's contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

#### 23. Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoter and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoter or any person of the Promoter's Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
  - The equity shares held by persons other than Promoter and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoter's Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
24. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
  25. As on date of the Draft Red Herring Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
  26. Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.
  27. Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.
  28. There are no safety net arrangements for this public issue.
  29. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
  30. As per RBI regulations, OCBs are not allowed to participate in this offer.
  31. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
  32. There are no Equity Shares against which depository receipts have been issued.
  33. As on date of the Draft Red Herring Prospectus, other than the Equity Shares, there are is no other class of securities issued by our Company.
  34. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
  35. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
  36. Since present issue is a Book Built Issue, the allocation in the net offer to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) 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.
  37. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the issue.
  38. Our Promoter and the members of our Promoter's Group will not participate in this offer.
  39. Our Company shall ensure that transactions in the Equity Shares by the Promoter and the Promoter's Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

40. Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.

Sr. No.	Name	Designation	No. of Equity Shares held	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
1.	Vipul Jatashanker Bhatt	Chairman cum Managing Director	13162500	74.99	[•]
2.	Sangeeta Vipul Bhatt	Whole Time Director	4387500	24.99	[•]
3.	Jay Vipul Bhatt	Whole Time Director	300	Negligible	[•]
4.	Deepakkumar Kushalchandra Chaubisa	Independent Director	NIL	NIL	NIL
5.	Hetalkumar Jayantilal Shah	Independent Director	NIL	NIL	NIL
6.	Ketki Ajay Oza	Chief Finance Officer	NIL	NIL	NIL
7.	Puja Paras Mehta	Company Secretary and Compliance Officer	NIL	NIL	NIL

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue constitutes a public Issue of upto 6400000 Equity Shares of our Company at an Issue Price of ₹ [●]/- per Equity Share.

#### FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. To Meet Working Capital Requirements
2. General Corporate Purpose
3. To meet Public Issue Expenses

(Collectively referred as the “objects”)

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

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives. Presently our company manufactures Phosphorus Trichloride (PCL3), Phosphorus Oxychloride (POCL3), Phosphorus Pentachloride (PCL5), Phosphorus Pentoxide (P<sub>2</sub>O<sub>5</sub>), Poly Phosphoric Acid (PPA) and Phosphorus Pentasulfide (P2S5) for our clients.

The objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

#### REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “Net Issue Proceeds”).

The following table summarizes the requirement of funds:

Particulars	Amount (₹ in) Lakhs
Gross Issue Proceeds	[●]
Less: Public Issue Related Expenses	[●]
<b>Net Issue Proceeds</b>	<b>[●]</b>

#### UTILIZATION OF NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount (₹ in) Lakhs	% of Gross Issue Proceeds
1.	To Meet Working Capital Requirements	4500.00	[●]
2.	General Corporate Purpose	[●]	[●]
<b>Net Issue Proceeds</b>		<b>[●]</b>	<b>[●]</b>

#### MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds which are as follows:

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From IPO Proceeds	Internal Accruals/Equit y/Reserves	Balance from Long/Short Term Borrowing
1.	Working Capital Requirements	8,942.06	4500.00	2,983.47	1,458.59
2.	General Corporate Purpose	[●]	[●]	0.00	0.00
3.	Public Issue Expenses	[●]	[●]	0.00	0.00

Sr. No.	Particulars	Amount Required (₹ in Lakhs)	From IPO Proceeds	Internal Accruals/Equity/Reserves	Balance from Long/Short Term Borrowing
<b>Total</b>		[•]	[•]	<b>2,983.47</b>	<b>1,458.59</b>

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in Internal / external circumstances or costs or other financial conditions and other factors. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilized for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus. As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the Section titled "Risk Factors" beginning on page no. 24 of this Draft Red Herring Prospectus.

## DETAILS OF USE OF ISSUE PROCEEDS

### 1. WORKING CAPITAL REQUIREMENTS:

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives. Presently our company manufactures Phosphorus Trichloride (PCL3), Phosphorus Oxychloride (POCL3), Phosphorus Pentachloride (PCL5), Phosphorus Pentoxide (P2O5), Poly Phosphoric Acid (H3PO4 + P2O5) and Phosphorus Pentasulfide (P2S5). We fund a majority of our working capital requirements in the ordinary course of business from our internal accruals, loan from Directors, financing from banks and financial institutions. As on March 31, 2022, Net Working Capital requirement of our Company on restated basis was ₹ 2,419.06 Lakhs as against that of ₹ 414.01 lakhs as on March 31, 2021 and ₹ 439.30 Lakhs as on March 31, 2020. The Net Working capital requirements for the FY 2022-23 is estimated to be ₹ 8,942.06 Lakhs. The Company will meet the requirement to the extent of ₹ 4500.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

Basis of estimation of working capital requirement and estimated working capital requirement

(Amount in ₹ Lakhs)

Particulars	As per Restated financial statement			Projected
	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
<b>Current Assets</b>				
Inventories				
➤ Finished Goods	67.96	61.86	240.75	937.65
➤ Work In Progress	69.01	47.52	90.20	281.29
➤ Raw Material	1.25	111.52	574.51	1,443.75
Trade receivables	1,139.23	1,364.51	4,173.00	8,437.50
Cash and cash equivalents	3.59	103.18	39.14	59.36

Particulars	As per Restated financial statement			Projected
	31-Mar-20	31-Mar-21	31-Mar-22	31-Mar-23
Loans and advances (Including Long Term)	79.16	14.43	25.33	50.00
Other Current Assets	92.99	93.58	358.54	1,000.00
<b>Total Current Assets</b>	<b>1,453.19</b>	<b>1,796.59</b>	<b>5,501.48</b>	<b>12,209.56</b>
<b>Current Liabilities</b>				
Trade payables	904.43	1,187.52	2,741.55	2,887.50
Other current liabilities	24.42	28.15	15.09	30.00
Short-term provisions	85.05	166.90	325.78	350
<b>Total Current Liabilities</b>	<b>1,013.89</b>	<b>1,382.58</b>	<b>3,082.41</b>	<b>3,267.50</b>
<b>Net Working Capital</b>	<b>439.30</b>	<b>414.01</b>	<b>2,419.06</b>	<b>8,942.06</b>
<b>Sources of Funds</b>				
Short Term Borrowing	138.66	215.72	404.66	1,132.64*
Unsecured Loan from Directors/ Relatives	0.00	0.00	508.87	325.95
Internal Accruals/Existing Net worth	300.65	198.29	1,505.53	2,983.47
Proceeds from IPO	0.00	0.00	0.00	4,500.00
<b>Total</b>	<b>439.30</b>	<b>414.01</b>	<b>2,419.06</b>	<b>8,942.06</b>

\*After Balance Sheet Date, Company has availed Cash Credit loan of ₹ 500 Lakhs vide sanction letter dated May 31, 2022.

#### Assumptions for working capital requirements

Particulars	Holding level (in Months)				Justification for Holding (FY 2022-23)
	FY 19-20 (Restated)	FY 20-21 (Restated)	FY 21-22 (Restated)	FY22-23 (Projected)	
<b>Inventory</b>					
➤ Raw Material	0.01	0.41	0.86	1.00	Raw Material holding period for FY 2022-23 is based on raw material holding period for FY 2021-22. In order to ensure uninterrupted manufacturing and production, our Company anticipates inventory days at 1 month for FY 2022-23. This will ensure that there is no supply chain disruption impacting the production.
➤ Work in Progress	0.23	0.14	0.09	0.15	Work in Progress cycle of our products for FY 2022-23 is estimated to be 0.15 months (4.5 Days Approx.). This estimation is based on work in progress cycle of previous financial year FY 2020-21.
➤ Finished Goods	0.22	0.18	0.23	0.50	Finished Goods holding period for FY 2022-23 is estimated to be 0.50 Months (15 days Approx.). This estimation is based on Finished Goods holding period cycle of previous financial year FY 2020-21 and to meet expected turnover requirement for FY 2022-23.

Particulars	Holding level (in Months)				Justification for Holding (FY 2022-23)
	FY 19-20 (Restated)	FY 20-21 (Restated)	FY 21-22 (Restated)	FY22-23 (Projected)	
Trade Receivables	3.32	3.45	3.50	4.50	Trade receivables are amount owed to Company by customers following sale of goods on credit. Our Trade Receivables for FY 2020-21, FY 2021-22 and FY 2022-23 are in the range of 3.32 months to 3.50 months (100-105 days). Our Company has estimated average trade receivable cycle to be 4.5 Months (Approx. 135 Days) to meet expected turnover for FY 2022-23.
Trade Payables	3.85	4.42	4.11	2.00	Trade payables include dues to micro and small enterprises and other creditors. Trade Payable Cycle is estimated to be at 2.00 months to avail better pricing and reducing the cost of purchase by availing discounts from our suppliers.

Apart from above there are other working capital requirements such as Cash and Cash Equivalents, Other Current assets, loans and advances, short term provisions and other current liabilities. Details of which are given below.

Cash and Cash Equivalents	Cash and cash equivalents include balances in current accounts and cash in hand. Cash and Cash Equivalent balance is estimated based on previous years outstanding amount and for expected Business requirement of company.
Loans and Advances	Loans and advances mainly include Deposits and staff advances. Loans and advances is estimated based on previous years outstanding amount and for expected Business requirement of company.
Other Current Assets	Other Current Assets mainly includes advances to suppliers, advance income tax and balance with government authorities. Other Current Assets is estimated based on previous years outstanding amount of Other Current Assets and for expected Business requirement of company.
Other current liabilities	Other Current Liabilities mainly include Statutory dues payable to government and expense & Other payables. Other current liabilities is estimated based on previous years outstanding amount and for expected Business requirement of company.
Short-term provisions	Short-term provisions mainly include Provision for income tax and current provision of Gratuity expenses. Short-term provisions is estimated based on previous years outstanding amount and for expected Business requirement of company.

## 2. GENERAL CORPORATE PURPOSE:

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

1. Strategic initiatives;
2. Brand building and strengthening of marketing activities and Products of the Our Company; and
3. On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

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

### 3. ISSUE RELATED EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (₹ in Lakh)	Expenses (% of Total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
Fees Payable to Advisor to the issue and Consultants	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Two Years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	<b>100.00</b>	[●]

#### Notes:

- Up to July 11, 2022, Our Company has deployed/incurred expense of ₹ 15.18 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor M/s. Abhishek Kumar & Associates, Chartered Accountants vide its certificate dated July 12, 2022, bearing UDIN: 22132305AMRROP4187.
- Any expenses incurred towards aforesaid issue related expenses during the period from August 19, 2021 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue:
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:
 

Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)

Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
- The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
- Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

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

Sr. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Issue Proceeds (₹ in Lakhs)	Amount already deployed (₹ in Lakhs)	Estimated Utilization of Net Proceeds (₹ in Lakhs) (Upto Financial year 2022-23)*
1.	Working Capital Requirements	8,942.06	4500.00	0.00	4500.00
2.	General Corporate Purpose	[•]	[•]	0.00	[•]

\* To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object. Due to general business exigencies, the use of issue proceeds may be interchangeable. However, the use of issue proceeds for general corporate purpose shall not exceed 25% at any point of time.

#### APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions / banks.

#### BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

#### INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Issue size is less than ₹ 10,000 Lakhs. Our Board will monitor the utilization of the proceeds of the Issue and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

#### VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoter or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### OTHER CONFIRMATIONS



No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

## BASIS FOR ISSUE PRICE

The issue price has been determined by the issuer in consultation with the lead manager. The financial data presented in this section are based on our Company's Restated Financial Information. Investors should also refer to the sections/chapters titled "Risk Factors" and "Restated Financial Information" on page no. 24 and 160, respectively of this Draft Red Herring Prospectus to get a more informed view before making the investment decision.

### QUALITATIVE FACTORS

- Experienced Promoter and Management Team
- Prime Location of our Manufacturing Facility
- Diversified product portfolio
- Long-standing relationships with a diversified customer base
- Consistent financial performance
- Wide Application of Products

For details of qualitative factors, please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Business Overview" beginning on page no. 94 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

#### 1. Basic & Diluted Earnings Per Share (EPS):

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

Financial Year/Period	Basic and Diluted EPS (in ₹) <sup>#</sup>	Weights
Financial Year ended March 31, 2020	0.94	1
Financial Year ended March 31, 2021	2.62	2
From April 01, 2021 to November 24, 2021	7.00	3
From November 25, 2021 to March 31, 2022	5.99	4
<b>Weighted Average</b>	<b>5.12</b>	
For Financial Year Ended on March 31, 2022 (for full year)	<b>12.99</b>	

# Face Value of Equity Share is ₹ 10.

After the Balance sheet date i.e. March 31, 2022, Our company has allotted 300000 equity shares on Right basis on May 28, 2022 in the ratio of 1:22 i.e. 1 Equity Shares for every 22 Equity Share held on May 28, 2022 for cash price of ₹ 100 each. Our company has allotted 10530900 Bonus Equity Shares on June 13, 2022 in the ratio of 3:2 i.e. 3 Equity Shares for every 2 Equity Shares held on June 10, 2022.

EPS disclosed above is after taking in to account impact of bonus issue. Impact of Right Issue is not taken into account for above calculation.

#### 2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●]:

$$\text{Price to Earnings Ratio(P/E)} = \frac{\text{Issue Price}}{\text{Restated Earnings Per Share}}$$

Particulars	EPS (in ₹)	P/E at the Issue Price
Based on EPS From April 01, 2021 to November 24, 2021	7.00	[●]
Based on EPS From November 25, 2021 to March 31, 2022	5.99	[●]
Based on EPS of Financial Year ended March 31, 2022	12.99	[●]
Based on Weighted Average EPS	5.12	[●]

#### Industry PE

- i. Highest = 72.61
- ii. Lowest = 72.61
- iii. Average = 72.61

(Based on Peer Data presented in point 5 below)

### 3. Average Return on Net Worth:

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$$

Financial Year/Period	Return on Net Worth (%)	Weights
Financial Year ended March 31, 2020	34.69	1
Financial Year ended March 31, 2021	49.17	2
Period Ended on November 24, 2021	116.73	3
Period Ended on March 31, 2022	50.17	4
<b>Weighted Average</b>	<b>68.39</b>	

### 4. Net Asset Value per Equity Share:

$$\text{Restated Net Asset Value per equity share (\text{₹})} = \frac{\text{Restated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$$

Particular	Amount (in ₹)
As at March 31, 2022	11.94
NAV per Equity Share after the Issue	[●]
Issue Price per Equity Share	[●]

### 5. Comparison of Accounting Ratios with Peer Group Companies:

Name of the company	Standalone / Consolidated	Face Value (₹)	Current Market Price (₹) <sup>@</sup>	EPS (₹) Basic	P/E Ratio	RoNW (%)	NAV per Equity Share (₹)	Revenue from operations (₹ in Lakhs)
Vital Chemtech Limited	Standalone	10	[●]	21.66 <sup>§</sup>	[●]	50.17	11.94	14,320.25
<b>Peer Group</b>								
Neogen Chemicals Limited ^	Standalone	10	1,360.80	18.74	72.61	10.18	176.15	48,725.00

**Note:** (1) The EPS, P/E Ratio, NAV, RoNW and revenue from operations of Vital Chemtech Limited are taken as per Restated Financial Statement for the Financial Year 2021-22 (including Financials of erstwhile LLP viz. Vital Chemtech LLP).

<sup>@</sup> Current Market Price (CMP) is taken as the closing price of respective scripts as on July 08, 2022 at BSE. For our Company, Current Market Price is taken same as issue price of equity share.

<sup>^</sup> The Figures as at March 31, 2022 and are taken from the financial results uploaded on respective Stock Exchange(s).

<sup>§</sup> Based on combined EPS for FY 2021-22 (i.e. from April 01, 2021 to November 24, 2021 of erstwhile LLP and from November 25, 2021 to March 31, 2022 of our Company)

6. The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

The Issue Price of ₹ [●]/- is determined by our Company in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled "Risk Factors" and chapters titled "Business Overview" and "Restated Financial Information" beginning on page nos. 24, 94 and 160 respectively of this Draft Red Herring Prospectus.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors,**  
**Vital Chemtech Limited**  
B-406, Mondeal Heights, Opp. Karnavati Club,  
S. G. Highway, Ahmedabad-380015, Gujarat

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Vital Chemtech Limited (“the company”), its shareholder and its Subsidiary prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

### **Reference - Initial Public Offer of Equity Shares by Vital Chemtech Limited**

1. We hereby confirm that the enclosed Annexure I, prepared by Vital Chemtech Limited ('the Company'), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the “Taxation Laws”), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2023-24 relevant to the financial year 2022-23, available to the Company, its shareholders and Its subsidiary. Several of these benefits are dependent on the Company or its shareholders or its subsidiary fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence. The ability of the Company and or its shareholders or its subsidiary to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders or its subsidiary may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and its subsidiary and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and its subsidiary and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether
  - i) the Company or its shareholders or its subsidiary will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been I would be met with; and
  - iii) the revenue authorities courts will concur with the views expressed herein.
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.



7. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
8. 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.
9. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For Abhishek Kumar & Associates**  
**Chartered Accountants**  
**Firm Rregistration Number:** 130052W  
**Peer Review No. –** PU01040896616

**CA Abhishek Agrawal**  
**Proprietor**  
**M.NO.** 132305  
**UDIN:** 22132305ANFNMM6968

**Place:** Ahmedabad  
**Date:** July 13, 2022

## ANNEXURE I TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company, the Shareholders and its Subsidiary under the Taxation Laws 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 certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

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

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

The Company is not entitled to any special tax benefits under the Taxation Laws.

#### **B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER**

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

#### **C. SPECIAL TAX BENEFITS TO THE SUBSIDIARY**

Our Subsidiary Company is not entitled to any special tax benefits under the Taxation Laws.

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

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

## SECTION VIII – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

#### GLOBAL OUTLOOK

Following more than two years of pandemic, spillovers from the Russian Federation’s invasion of Ukraine are set to sharply hasten the deceleration of global economic activity, which is now expected to slow to 2.9 percent in 2022. The war in Ukraine is leading to high commodity prices, adding to supply disruptions, increasing food insecurity and poverty, exacerbating inflation, contributing to tighter financial conditions, magnifying financial vulnerability, and heightening policy uncertainty. Growth in emerging market and developing economies (EMDEs) this year has been downgraded to 3.4 percent, as negative spillovers from the invasion of Ukraine more than offset any near-term boost to some commodity exporters from higher energy prices. Despite the negative shock to global activity in 2022, there is essentially no rebound projected next year: global growth is forecast to edge up only slightly to a still-subdued 3 percent in 2023, as many headwinds—in particular, high commodity prices and continued monetary tightening—are expected to persist. Moreover, the outlook is subject to various downside risks, including intensifying geopolitical tensions, growing stagflationary headwinds, rising financial instability, continuing supply strains, and worsening food insecurity.

These risks underscore the importance of a forceful policy response. The global community needs to ramp up efforts to mitigate humanitarian crises caused by the war in Ukraine and conflict elsewhere and alleviate food insecurity, as well as expand vaccine access to ensure a durable end of the pandemic. Meanwhile, EMDE policy makers need to refrain from implementing export restrictions or price controls, which could end up magnifying the increase in commodity prices. With rising inflation, tightening financial conditions, and elevated debt levels sharply limiting policy space, spending can be reprioritized toward targeted relief for vulnerable households. Over the long run, policies will be required to reverse the damage inflicted by the dual shocks of the pandemic and the war on growth prospects, including preventing fragmentation in trade networks, improving education, and raising labor force participation.

Russia’s invasion of Ukraine is affecting EMDE regions to different degrees via impacts on global trade and output, commodity prices, inflation, and interest rates. The adverse spillovers from the war will be most severe for Europe and Central Asia, where output is forecast to sharply contract this year. Output growth is projected to slow this year in all other regions except the Middle East and North Africa, where the benefits of higher energy prices for energy exporters are expected to outweigh those prices’ negative impacts for other economies in the region. Risks for all EMDE regions are tilted to the downside and include intensifying geopolitical tensions, rising inflation and food shortages, financial stress and rising borrowing costs, renewed outbreaks of COVID-19, and disruptions from disasters.

Global inflation has risen sharply from its lows in mid-2020, on rebounding global demand, supply bottlenecks, and soaring food and energy prices, especially since Russia’s invasion of Ukraine. Markets expect inflation to peak in mid-2022 and then decline, but to remain elevated even after these shocks subside and monetary policies are

tightened further. Global growth has been moving in the opposite direction: it has declined sharply since the beginning of the year and, for the remainder of this decade, is expected to remain below the average of the 2010s. In light of

these developments, the risk of stagflation—a combination of high inflation and sluggish growth—has risen. The recovery from the stagflation of the 1970s required steep increases in interest rates by major advanced-economy central banks to quell inflation, which triggered a global recession and a string of financial crises in EMDEs. If current stagflationary pressures intensify, EMDEs would likely face severe challenges again because of their less well-anchored inflation expectations, elevated financial vulnerabilities, and weakening growth fundamentals. This makes it urgent for EMDEs to shore up their fiscal and external buffers, strengthen their monetary policy frameworks, and implement reforms to reinvigorate growth.

**Russia’s invasion of Ukraine:** Implications for energy markets and activity. Russia’s invasion of Ukraine has disrupted global energy markets and damaged the global economy. Compared with what took place in the 1970s, the shock has led to a surge in prices across a broader set of energy-related commodities. In energy-importing economies, higher prices will reduce real disposable incomes, raise production costs, tighten financial conditions, and constrain policy space. Some

energy exporters may benefit from improved terms of trade and higher commodities production. However, on net, model-based estimates suggest that the war-driven surge in energy prices could reduce global output by 0.8 percent after two years. The experience of previous oil price shocks has shown that these shocks can provide an important catalyst for policies to encourage demand reduction, substitution to other fuels, and development of new sources of energy supply.

**TABLE 1.1 Real GDP<sup>1</sup>**

	2019	2020	2021e	2022f	2023f	2024f	Percentage point differences from January 2022 projections	
							2022f	2023f
<b>World</b>	<b>2.6</b>	<b>-3.3</b>	<b>5.7</b>	<b>2.9</b>	<b>3.0</b>	<b>3.0</b>	<b>-1.2</b>	<b>-0.2</b>
<b>Advanced economies</b>	<b>1.7</b>	<b>-4.6</b>	<b>5.1</b>	<b>2.6</b>	<b>2.2</b>	<b>1.9</b>	<b>-1.2</b>	<b>-0.1</b>
United States	2.3	-3.4	5.7	2.5	2.4	2.0	-1.2	-0.2
Euro area	1.6	-6.4	5.4	2.5	1.9	1.9	-1.7	-0.2
Japan	-0.2	-4.6	1.7	1.7	1.3	0.6	-1.2	0.1
<b>Emerging market and developing economies</b>	<b>3.8</b>	<b>-1.6</b>	<b>6.6</b>	<b>3.4</b>	<b>4.2</b>	<b>4.4</b>	<b>-1.2</b>	<b>-0.2</b>
East Asia and Pacific	5.8	1.2	7.2	4.4	5.2	5.1	-0.7	0.0
China	6.0	2.2	8.1	4.3	5.2	5.1	-0.8	-0.1
Indonesia	5.0	-2.1	3.7	5.1	5.3	5.3	-0.1	0.2
Thailand	2.2	-6.2	1.6	2.9	4.3	3.9	-1.0	0.0
Europe and Central Asia	2.7	-1.9	6.5	-2.9	1.5	3.3	-5.9	-1.4
Russian Federation	2.2	-2.7	4.7	-8.9	-2.0	2.2	-11.3	-3.8
Turkey	0.9	1.8	11.0	2.3	3.2	4.0	0.3	0.2
Poland	4.7	-2.2	5.9	3.9	3.6	3.7	-0.8	0.2
Latin America and the Caribbean	0.8	-6.4	6.7	2.5	1.9	2.4	-0.1	-0.8
Brazil	1.2	-3.9	4.6	1.5	0.8	2.0	0.1	-1.9
Mexico	-0.2	-8.2	4.8	1.7	1.9	2.0	-1.3	-0.3
Argentina	-2.0	-9.9	10.3	4.5	2.5	2.5	1.9	0.4
Middle East and North Africa	0.9	-3.7	3.4	5.3	3.6	3.2	0.9	0.2
Saudi Arabia	0.3	-4.1	3.2	7.0	3.8	3.0	2.1	1.5
Iran, Islamic Rep. <sup>3</sup>	-6.8	3.4	4.1	3.7	2.7	2.3	1.3	0.5
Egypt, Arab Rep. <sup>2</sup>	5.6	3.6	3.3	6.1	4.8	5.0	0.6	-0.7
South Asia	4.1	-4.5	7.6	6.8	5.8	6.5	-0.8	-0.2
India <sup>3</sup>	3.7	-6.6	8.7	7.5	7.1	6.5	-1.2	0.3
Pakistan <sup>2</sup>	3.1	-0.9	5.7	4.3	4.0	4.2	0.9	0.0
Bangladesh <sup>2</sup>	7.9	3.4	6.9	6.4	6.7	6.9	0.0	-0.2
Sub-Saharan Africa	2.6	-2.0	4.2	3.7	3.8	4.0	0.1	0.0
Nigeria	2.2	-1.8	3.6	3.4	3.2	3.2	0.9	0.4
South Africa	0.1	-6.4	4.9	2.1	1.5	1.8	0.0	0.0
Angola	-0.7	-5.2	0.7	3.1	3.3	3.2	0.0	0.5
<b>Memorandum items:</b>								
<b>Real GDP<sup>1</sup></b>								
High-income countries	1.7	-4.6	5.1	2.7	2.2	2.0	-1.1	-0.2
Middle-income countries	4.0	-1.3	6.8	3.3	4.2	4.5	-1.3	-0.3
Low-income countries	4.8	1.9	3.9	4.1	5.3	5.7	-0.8	-0.6
EMDEs excl. Russian Federation and Ukraine	3.9	-1.5	6.7	4.2	4.5	4.5	-0.5	0.0
EMDEs excl. China	2.5	-4.0	5.6	2.7	3.4	4.0	-1.5	-0.4
Commodity-exporting EMDEs	1.8	-3.8	4.8	1.2	2.6	3.2	-2.1	-0.5
Commodity-exporting EMDEs excl. Russian Federation and Ukraine	1.8	-4.0	4.8	3.7	3.3	3.4	0.3	-0.1
Commodity-importing EMDEs	4.9	-0.4	7.5	4.4	4.9	5.0	-0.8	-0.1
Commodity-importing EMDEs excl. China	3.2	-4.2	6.6	4.6	4.5	4.9	-0.7	-0.1
EM7	4.5	-0.5	7.3	3.3	4.3	4.7	-1.5	-0.4
World (PPP weights) <sup>4</sup>	2.9	-3.0	6.0	3.1	3.4	3.5	-1.3	-0.2
<b>World trade volume<sup>5</sup></b>	<b>1.4</b>	<b>-8.0</b>	<b>10.3</b>	<b>4.0</b>	<b>4.3</b>	<b>3.8</b>	<b>-1.8</b>	<b>-0.4</b>
<b>Commodity prices<sup>6</sup></b>								
Oil price	-9.9	-33.9	66.5	42.0	-8.0	-13.0	35.0	3.8
Non-energy commodity price index	-4.2	3.3	32.7	17.9	-8.1	-3.1	19.9	-4.1

## GLOBAL TRADE

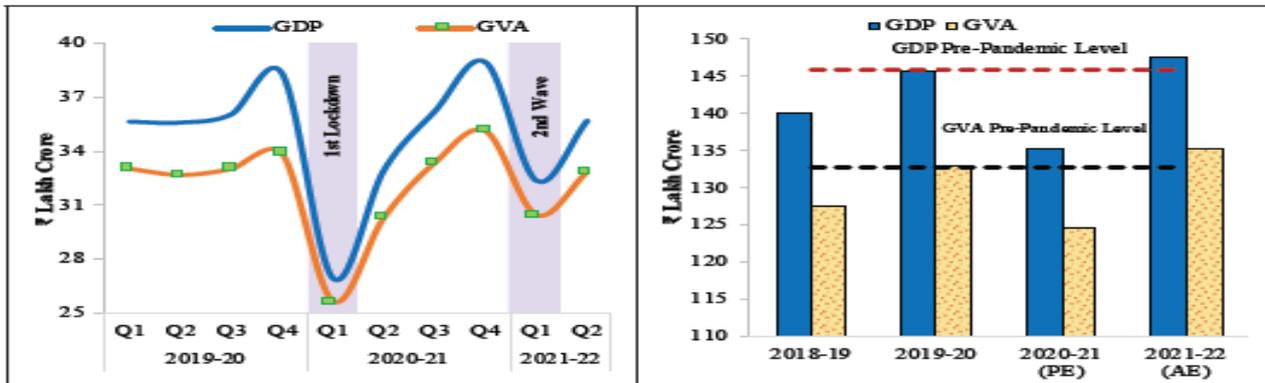
Goods trade slowed in the first half of 2022 as supply chains continued to be affected by the lingering effects of the pandemic, including disruptions in major Asian ports and lockdowns in key cities in China. In addition, Russia's invasion of Ukraine and its repercussions have led to severe physical and logistical dislocations that have magnified pre-existing bottlenecks.

Russia and Ukraine account for a small share—under 3 percent—of global exports. However, many global industries rely on supplies of key commodities produced in the two countries, especially in Russia. Shortages and unprecedented

increases in the prices of these inputs have rippled through global value chains (GVCs), leading to production standstills and elevated producer prices. At the same time, transport costs have increased, including in the wake of the war in

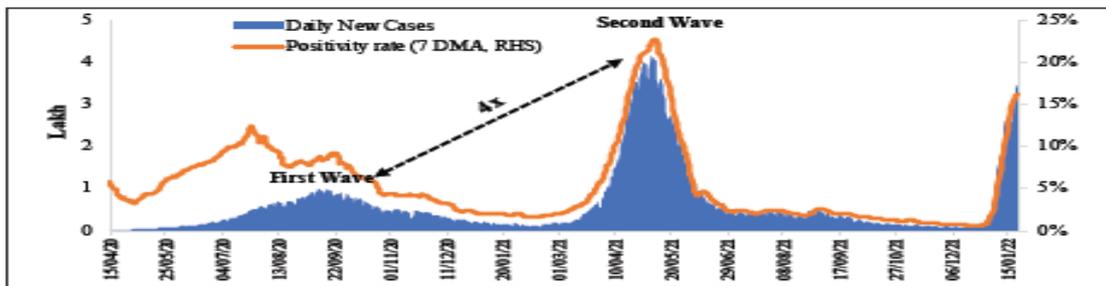
Ukraine. Navigation and trade in the Black Sea have been materially disrupted, negatively affecting the transport of food and crude oil. Cargos and shipments held at Russian and Ukrainian ports have been rerouted through longer and more expensive routes.

**Figure 1: Gross Domestic Output (Constant Prices, Base Year:2011-12)**



Source: National Accounts Statistics (NSO), MoSPI

**Figure 2: Waves of COVID-19**



Source: Data accessed from Ministry of Health and Family Welfare (MoH&FW)  
Note: DMA stands for Daily Moving Average

Services trade has regained its pre-pandemic level, driven by a rebound in non-tourism services. While tourism activity has started to recover in advanced economies with high vaccination levels, it remains generally subdued in EMDEs, especially in tourism-reliant countries and in small states. The invasion is also weighing on tourism activity in countries that rely on tourists from Russia and Ukraine.

Global trade growth is anticipated to slow to 4 percent in 2022 as the war in Ukraine further disrupts global value chains, global activity gradually shifts back toward the less tradeintensive services sector, and international mobility moves toward pre-pandemic levels only gradually. This is a substantial downward revision relative to previous forecasts, largely because of higher transport costs and significant global value chain disruptions associated with the war. Global trade growth is expected to moderate to an average of 4.1 percent in 2023-24 as global demand for tradable goods continues to decelerate.

*(Source: Global Economic Prospects, June 2022)*

## INDIAN ECONOMY

### Introduction

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. Moreover, the likely withdrawal of liquidity by major central banks over the next year may also make global capital flows more volatile. In this context, it is important to evaluate both the pace of growth revival in India as well as the strength of macro-economic stability indicators. It is also essential to look at progress in vaccination as this is not just a health response but also a buffer against economic disruptions caused by repeated waves of the pandemic.

### Economy recovers past Pre-Pandemic levels

The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April- June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. Advance estimates suggest that GDP will record an expansion of 9.2 per cent in 2021-22. This implies that the level of real economic output will surpass the pre-COVID level of 2019-20.

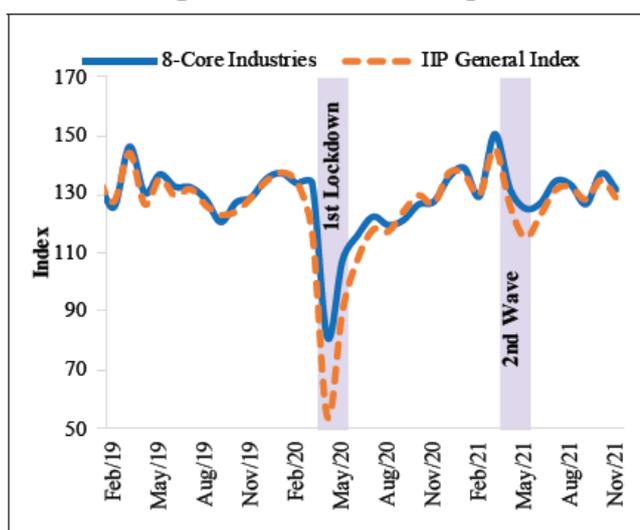
In contrast to the steady performance of the primary sector, the industrial sector went through a big swing by first contracting by 7 per cent in 2020-21 and then expanding by 11.8 per cent in this financial year. The manufacturing, construction and mining sub-sectors went through the same swing although the utilities segment experienced a more muted cycle as basic services such as electricity and water supply were maintained even at the height of the national lockdown. The share of industry in GVA is now estimated at 28.2 per cent (Table 2).

**Table 2: Share of Sectors in Nominal GVA (per cent)**

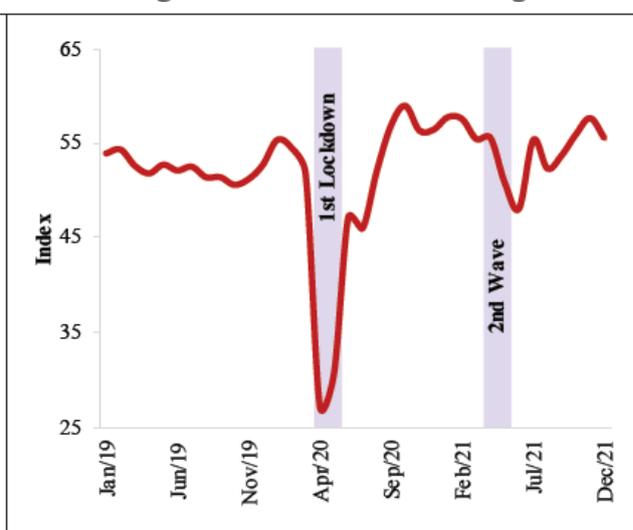
Sectors	2019-20 (1st RE)	2020-21 (PE)	2021-22 (1st AE)
<b>Agriculture &amp; Allied Sectors</b>	<b>18.4</b>	<b>20.2</b>	<b>18.8</b>
<b>Industry</b>	<b>26.7</b>	<b>25.9</b>	<b>28.2</b>
Mining & quarrying	1.9	1.6	2.3
Manufacturing	14.7	14.4	15.4
Electricity, gas, water supply & other utility services	2.6	2.7	2.5
Construction	7.4	7.2	8.0
<b>Services</b>	<b>55.0</b>	<b>53.9</b>	<b>53.0</b>
Trade, hotels, transport, communication and services related to broadcasting	18.9	16.4	16.9
Financial, real estate & professional services	21.2	22.1	20.9
Public administration, defence and Other Services	14.9	15.4	15.2
<b>GVA at basic price</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Since January 2021, the widely used Purchasing Managers' Index-Manufacturing has remained in the expansionary zone (i.e. over 50) except for one month when the second wave had slowed down economic activity (Figure 8). The Index of Industrial Production (IIP) and Core Industry indices have both followed a similar pattern and, in November 2021, went past their pre-pandemic level for the corresponding month in 2019 (Figure 7).

**Figure 7: Industrial Output**



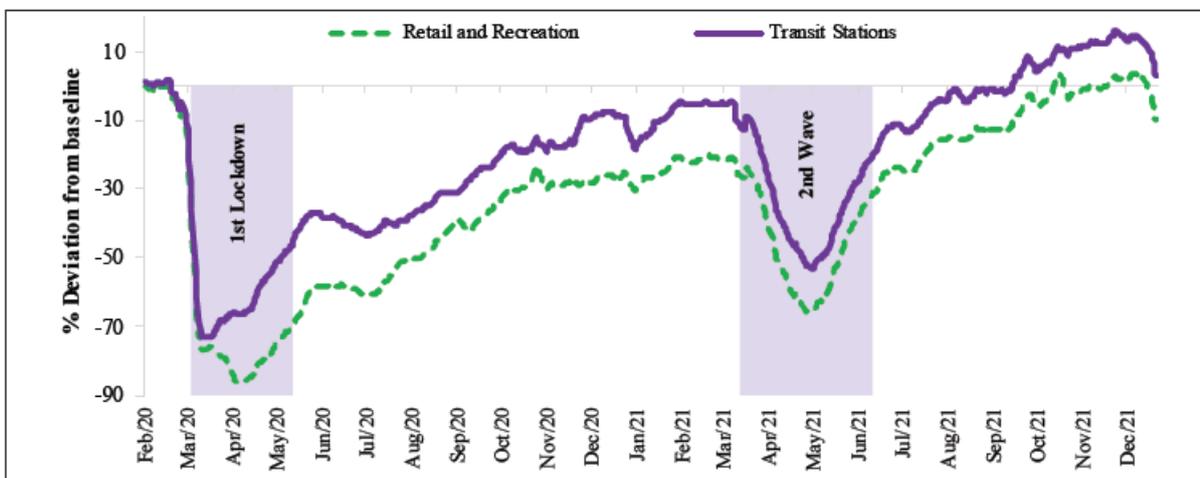
**Figure 8: PMI Manufacturing**



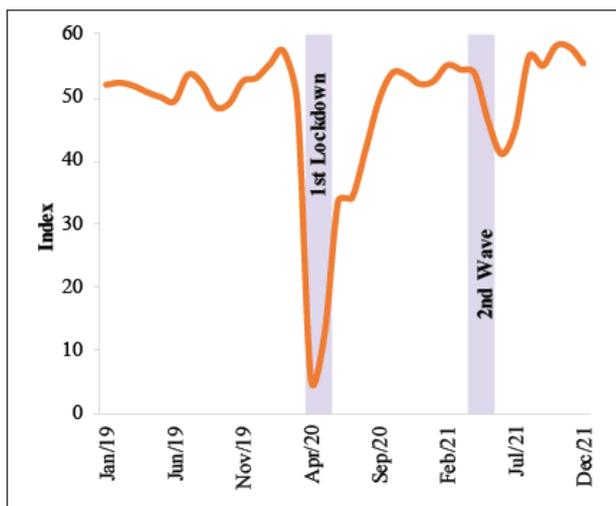
Services account for more than half of the Indian economy and was the most impacted by the COVID-19 related restrictions, especially for activities that need human contact. Although the overall sector first contracted by 8.4 per cent in 2020-21 and then is estimated to grow by 8.2 per cent in 2021-22, it should be noted that there is a wide dispersion of performance by different sub-sectors. Both the Finance/Real Estate and the Public Administration segments are now well above pre-COVID levels. However, segments like Travel, Trade and Hotels are yet to fully recover. It should be added that the stop-start nature of repeated pandemic waves makes it especially difficult for these sub-sectors to gather momentum.

Despite contact-sensitive services still being impacted by COVID, there has been a strong recovery of the Purchasing Managers' Index-Services since August 2021 (Figure 13). In this context, it is important to note the role of new forms of High Frequency Indicators to gauge real-time trends. For example, the Google mobility indicators for retail and recreation (i.e., restaurants, cafes, shopping centres, etc.) and transit stations (public transport hubs such as subway, bus, and train stations), measuring percentage deviation from pre-pandemic levels of mobility, has exceeded pre-pandemic levels in December 2021 before the Omicron wave again led to restrictions (Figure 12). Similarly, the hotel occupancy rate has recovered substantially, reaching 56-58 per cent in October 2021, from 30-32 per cent in April 2021 (Figure 14).

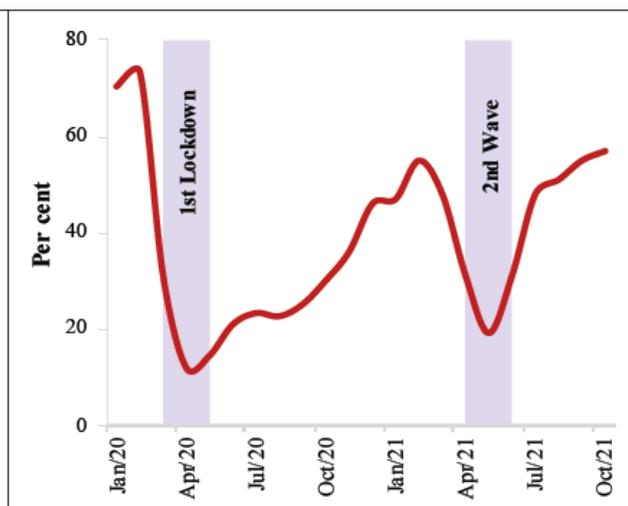
**Figure 12: Trends in Mobility**



**Figure 13: PMI Services**



**Figure 14: Hotel Occupancy Rate**



## Consumption

Total consumption is estimated to have grown by 7.0 per cent in 2021-22 with government consumption remaining the biggest contributor as in the previous year. Government consumption is estimated to grow by a strong 7.6 per cent

surpassing pre-pandemic levels. Private consumption is also estimated to have improved significantly to recover 97 per cent of corresponding pre-pandemic output level. This is supported by a sharp rebound in HFIs like IIP Consumer Durables. However, the recent dip in vehicle registrations reflects persistent supply-side constraints owing to the shortage of semiconductor chips rather than lack of consumption demand. Further, RBI's consumer confidence survey results on both the present situation and future expectations suggest sustained uptick in consumer sentiments. Also indicative of uptick in consumer sentiments is the steep rise in digital transactions, notably in UPI payments owing to the pandemic induced shift to contactless payments. Private consumption is poised to see stronger recovery with rapid coverage in vaccination and faster normalisation of economic activity.

### **Investment**

Investment, as measured by Gross Fixed Capital Formation (GFCF) is expected to see strong growth of 15 per cent in 2021-22 and achieve full recovery of pre-pandemic level. Government's policy thrust on quickening virtuous cycle of growth via capex and infrastructure spending has increased capital formation in the economy lifting the investment to GDP ratio to about 29.6 per cent in 2021-22, the highest in seven years.

While private investment recovery is still at a nascent stage, there are many signals which indicate that India is poised for stronger investment. The number of private investment projects under implementation in manufacturing sector has been rising over the years. Companies hitting record profits in recent quarters and mobilization of risk capital bode well for acceleration in private investment. A sturdy and cleaned-up banking sector stands ready to support private investment adequately. Expected increase in private consumption levels will propel capacity utilisation, thereby fuelling private investment activity. RBI's latest Industrial Outlook Survey results indicate rising optimism of investors and expansion in production in the upcoming quarters.

### **Exports and Imports**

India's exports of both goods and services have been exceptionally strong so far in 2021-22. Merchandise exports have been above US\$ 30 billion for eight consecutive months in 2021-22, despite a rise in trade costs arising from global supply constraints such as fewer operational shipping vessels, exogenous events such as blockage of Suez Canal and COVID-19 outbreak in port city of China etc.. Concurrently, net services exports have also risen sharply, driven by professional and management consulting services, audio visual and related services, freight transport services, telecommunications, computer and information services. From a demand perspective, India's total exports are expected to grow by 16.5 per cent in 2021-22 surpassing pre-pandemic levels. Imports also recovered strongly with revival of domestic demand and continuous rise in price of imported crude and metals. Imports are expected to grow by 29.4 per cent in 2021-22 surpassing corresponding pre-pandemic levels.

Resultantly, India's net exports have turned negative in the first half of 2021-22, compared to a surplus in the corresponding period of 2020-21 with current account recording a modest deficit of 0.2 per cent of GDP in the first half (Figure 24). However, robust capital flows in the form of continued inflow of foreign investment were sufficient to finance the modest current account deficit. Elevated global commodity prices, revival in real economic activity driving higher domestic demand and growing uncertainty surrounding capital inflows may widen current account deficit further during the second half of the year. However, it is expected to be within manageable limits.

*(Source: Economic Survey 2021-22)*

## **CHEMICAL SECTOR IN INDIA**

### **INTRODUCTION**

Covering more than 80,000 commercial products, India's chemical industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers and fertilisers.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for ~16% of the world production of dyestuffs and dye intermediates. Indian colorants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for few hazardous chemicals. India holds a strong position in exports and imports of chemicals at a global level and ranks 14<sup>th</sup> in exports and 8<sup>th</sup> in imports at global level (excluding pharmaceuticals). The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

India's proximity to the Middle East, the world's source of petrochemicals feedstock, enables it to benefit on economies of scale.

### **MARKETS SIZE**

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 300 billion to India's GDP by 2025.

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. Chemical production reached 903,002 MT in December 2021, while petrochemical production reached 1,877,907 MT. In December 2021, production levels of various chemicals were as follows: Soda Ash: 257,199 MT, Caustic Soda: 277,638 MT, Liquid Chlorine: 190,492 MT, Formaldehyde: 22,794 MT and Pesticides and Insecticides: 22,110 MT.

The specialty chemicals constitute 22% of the total chemicals and petrochemicals market in India. The demand for specialty chemicals is expected to rise at a 12% CAGR in 2019-22. Indian manufacturers have recorded a CAGR of 11% in revenue between FY15 and FY21, increasing India's share in the global specialty chemicals market to 4% from 3%, according to the Crisil report. A revival in domestic demand and robust exports will spur a 50% YoY increase in the capex of specialty chemicals manufacturers in FY22 to Rs. 6,000-6,200 crore (US\$ 815-842 million). From April 2021 to February 2022, exports of organic & inorganic chemicals increased 33.75% YoY to reach US\$ 26.48 billion. Revenue growth is likely to be 19-20% YoY in FY22, up from 9-10% in FY21, driven by recovery in domestic demand and higher realisations owing to rising crude oil prices and better exports.



## INVESTMENTS AND RECENT DEVELOPMENTS

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

- In November 2021, Indian Oil Corporation (IOCL) announced plans to invest Rs. 3,681 crore (US\$ 495.22 million) to set up India's first mega-scale maleic anhydride unit for manufacturing high-value specialty chemicals at its Panipat Refinery in Haryana.
- In November 2021, Praj Industries Limited and Indian Oil Corporation inked a memorandum of understanding (MoU) to explore opportunities in the production of alcohol-to-jet (ATJ) fuels, 1G & 2G ethanol, compressed bio-gas (CBG) and related opportunities in the biofuels industry.
- In November 2021, Coromandel International announced plans to set up 1,650-metric-tonnes-per-day sulphuric acid plant at its fertiliser complex in Visakhapatnam with an investment of Rs. 400 crore (US\$ 53.69 million).
- On September 30, 2021, Prime Minister, Mr. Narendra Modi, inaugurated the CIPET: Institute of Petrochemicals Technology, Jaipur.
- In October 2021, Nayara Energy announced that it expects 15-20 new integrated petrochemical plants to become operational within the next decade in the country, to meet the rising demand for raw materials used in the plastics and clothing industries.

- In October 2021, Rosneft, Russia, launched a large-scale petrochemical production development programme in India with investments worth ~US\$ 750 million at the current implemented stage.
- In September 2021, Bharat Petroleum Corporation (BPCL), announced plans to invest US\$ 4.05 billion, to improve petrochemical capacity and refining efficiencies over the next five years.
- The government is planning to hold roadshows in eight overseas markets for the proposed investors' summit planned in January 2022, with focus on the petrochemicals sector, and is eager to attract investors to its newly launched Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) near the upcoming crude oil refinery in Pachpadra village (in Barmer district, Rajasthan).
- In September 2021, Dorf Ketal Chemicals India Pvt. Ltd., a company headquartered in Mumbai, India; and TriBonds Chemical Co., based in Dammam, the Kingdom of Saudi Arabia, have announced a joint venture (JV) to manufacture water specialty chemicals for applications in the Middle East refining and petrochemical industry. The JV will focus on meeting the energy and water management and processing needs of refineries, petrochemicals, fuel additives, plastics, lubricants, oil field chemicals, catalysts and adsorbents.
- In June 2021, the Rubber Skill Development Council (RSDC) announced that it is expanding its vertical to cover the chemicals and petrochemicals sectors and will be now known by the name Rubber, Chemical, Petrochemical Skill Development Council (RCPSDC). The council will implement skill training programmes in chemicals and petrochemicals verticals for the youth across country.
- In January 2020, Ultramarine & pigments have successfully commissioned the Sulphonation plant setup in Nellore, Andhra Pradesh, to manufacture surfactants and specialty chemicals.
- In December 2020, Boramdev Cooperative Sugar Factory Kawardha and Chhattisgarh Distillery's subsidiary NKJ Biofuel signed a memorandum of understanding (MoU) for the country's first ethanol plant to be set up in the state under the public-private partnership (PPP) model.
- In November 2020, Indian companies are witnessing interest from strategic investors led by Japan, Korea and Thailand, as they seek to diversify supply chains from China. This includes large deals in FY 2020—KKR's \$414 million acquisition of JB Chemicals and Pharmaceuticals Ltd. and Carlyle's \$210 million acquisition of SeQuent Scientific Ltd.
- On November 06, 2020, HIL (Hindustan Insecticides Limited) signed a memorandum of understanding with the Department of Chemicals & Petro Chemicals to achieve revenue target of Rs. 451 crore (US\$ 60.86 million).
- On November 04, 2020, Pidilite Industries acquired Huntsman Group's Indian subsidiary for Rs. 2,100 crore (US\$ 283.38 million) to strengthen adhesives and sealants portfolio that will complement the company's retail portfolio.
- In October 2020, Grasim Industries signed a definitive agreement with Lubrizol Advanced Materials (specialty chemical company) to manufacture and supply chlorinated polyvinyl chloride (CPVC) resin in Gujarat. The initial production is expected to begin in end-2022.

## GOVERNMENT INITIATIVES

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

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

- Under the Union Budget 2022-23 the government allocated Rs. 209 crores (US\$ 27.43 million) to the Department of Chemicals and Petrochemicals.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crores (US\$ 213.81 million).
- The Government of India is considering launching a production linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.

- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 19.09 billion between April 2000 to December 2021.
- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
  - Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for next five years.
  - Single window clearance for central and state-level approvals.
  - Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US\$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US\$ 213 billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020.

## ROAD AHEAD

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

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

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

Note: Conversion rate used for November 2021 is Rs. 1 = US\$ 0.01336

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

## BUSINESS OVERVIEW

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Red Herring Prospectus, including the information contained in the section titled “Risk Factors” on Page no. 24 of this Draft Red Herring Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” “Vital” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our Restated Financial Information prepared in accordance with the Accounting Standard set forth in the Draft Red Herring Prospectus.

Our Company was originally incorporated as a private limited company on November 11, 2013, as ‘Rudra Chemtech Private Limited’, under the provisions of the Companies Act, 1956. Subsequently, Our Company was converted to Limited Liability Partnership Firm as ‘Rudra Chemtech Limited Liability Partnership’ having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 on February 12, 2015, under the LLP Act, 2008. Thereafter, on February 20, 2015, name was changed to ‘Vital Chemtech Limited Liability Partnership’ pursuant to Rule 20(3) of the LLP Rules, 2009. Later on, our Limited Liability Partnership was converted to Public Limited Company under section 366 Part I chapter XXI of the Companies Act, 2013 as ‘Vital Chemtech Limited’ and fresh Certificate of Incorporation dated November 25, 2021, was issued by Assistant Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24299GJ2021PLC127538.

Our Company is engaged in the business of manufacturing of Phosphorus Derivatives Products. Our Company is manufacturer and supplier of Phosphorus base chemicals with highest quality practice and compliant with Highest Environmental, Health, and Safety (EHS) in chemical industry. The company has State of the Art Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) operated in integrated complex in PCPIR region of Dahej, Gujarat, India for manufacturing of phosphorus base chemicals. Manufacturing Facility of our company is having integrated manufacturing facility for manufacturing of phosphorus base chemical. Our manufacturing Facility located in Dahej, Gujarat, has been certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas to maintain highest quality, environmental and safety practices. Our plant is ZLD (Zero Liquid Discharge) to ensure minimum emissions and waste generation. The state of the art operation ensures organized uniflow state of the art manufacturing and supply sustainability to our valued customers.

Presently our company manufactures Phosphorus Trichloride ( $PCl_3$ ), Phosphorus Oxychloride ( $POCl_3$ ), Phosphorus Pentachloride ( $PCl_5$ ), Phosphorus Pentoxide ( $P_2O_5$ ), Poly Phosphoric Acid (PPA) and Phosphorus Pentasulfide ( $P_2S_5$ ) for our customers across segments such as Lifesciences, Crop Care, Specialty Chemicals, Textile Auxiliaries, Dyes, Pigments and Plastic Additives. Our company also does trading of its raw Material. Our company is in the process of obtaining approval of Phosphorus Pentasulfide ( $P_2S_5$ ) from our customers.

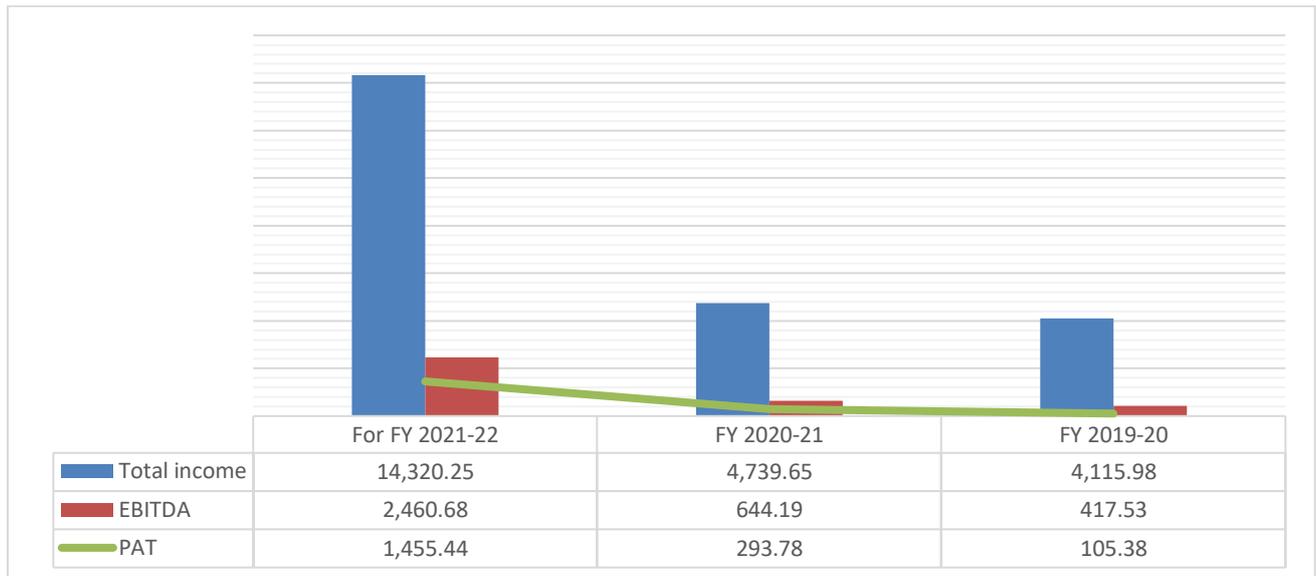
Our Company has robust growth and improvement in top line and bottom line on restated financial statement. We have approximately half a decade of track record in manufacturing phosphorous based specialty chemicals. We have experienced sustained growth with respect to the various financial indicators as well as a consistent improvement in our balance sheet position in the last three Fiscals, wherein we have seen an increase in our net worth. We have organically grown our operations over the years.

The table below sets forth some of the key financial indicators:

(₹ in Lakhs)

Particulars	For FY 2021-22	November 25, 2021 to March 31, 2022	April 01, 2021 to November 24, 2021	FY 2020-21	FY 2019-20
Total income	14,320.25	5,761.46	8,558.80	4,739.65	4,115.98
EBITDA	2,460.68	1,148.36	1,312.33	644.19	417.53
EBITDA %	17.18	19.93	15.33	13.59	10.14
PAT	1,455.44	670.94	784.50	293.78	105.38
PAT %	10.16	11.65	9.17	6.20	2.53
Debt to Equity	2.61	2.61	2.43	1.68	3.14

Following is the graphical representation of the above (₹ in Lakhs)



### MANUFACTURING FACILITY

Location	Total Area	Usage Purpose
Plot No. D-3/151 & 158 G.I. D.C. Dahej Industrial Estate Gujarat 392130	admeasuring 9099.60 sq. mtrs	Plant 1 A/B, Plant 2, Plant 3 and Plant 4

#### Plant wise & Product Wise Area Details

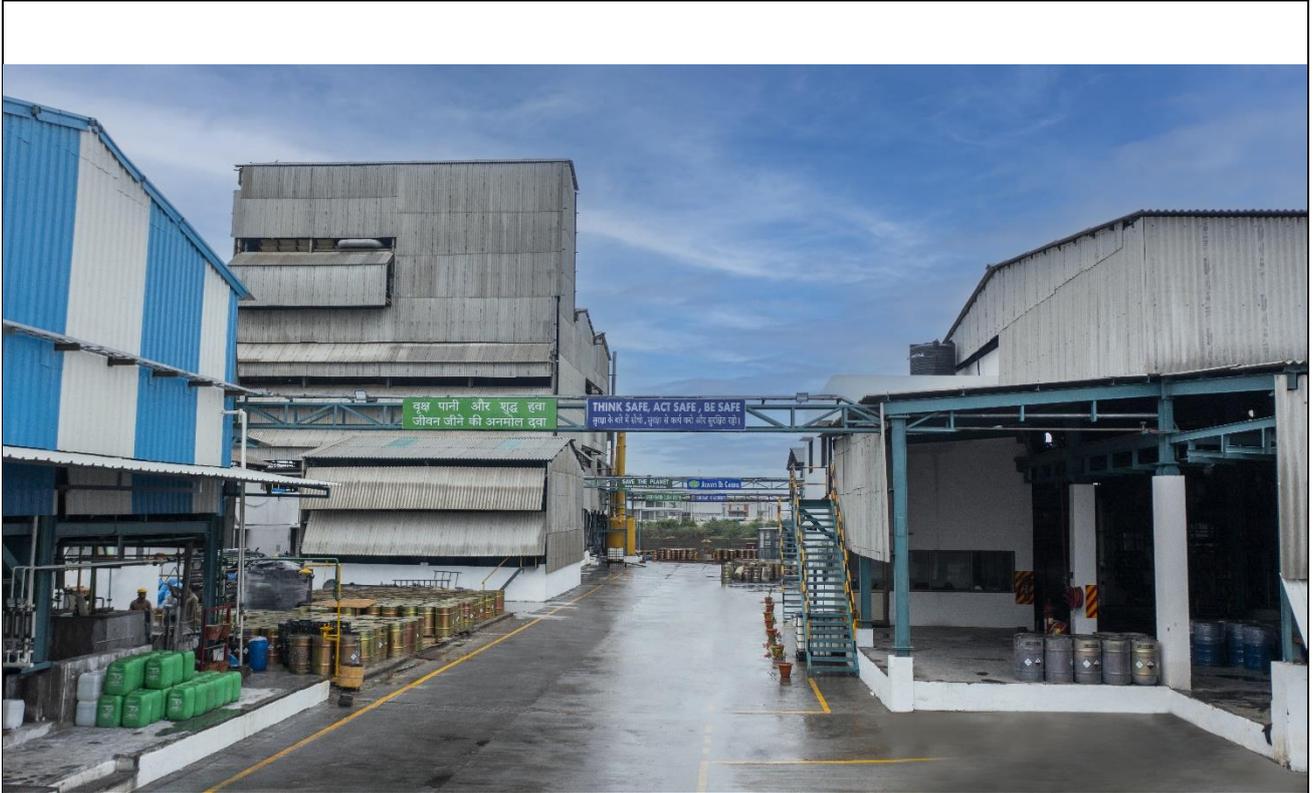
Plant ID	Product	Type of Operation	Area Allocated (Approx)
Plant 1 A/B	Phosphorus Trichloride & Phosphorus Oxychloride	PLC/SCADA	750 Sq Meter
Plant 2	Phosphorus Pentoxide & Poly Phosphoric Acid	Manual	500 Sq Meter
Plant 3	Phosphorus Pentachloride	Semi-Automatic	300 Sq Meter
Plant 4	Phosphorus Pentasulfide	PLC/SCADA	1000 Sq Meter

#### Apart from Production area below are various sections

- Raw Material and Finished Goods Storage Area / Tank Farm
- Chlorine Shed
- Oxygen Tank Farm
- Quality Control Laboratory
- Boiler Shed
- Utility Area (Cooling Tower/Air Compressor etc)
- Panel Rooms
- Effluent Treatment Plant
- General Stores
- HT Transformer Area – HT Connection – 300 KV
- Raw Water + Fire Storage Tank - 200 KL
- Fire Hydrant System

### PHOTOGRAPHS OF MANUFACTURING FACILITY













## OUR MAJOR PRODUCT PORTFOLIO

Our company is engaged in manufacturing of Phosphorus based products. We manufacture the products for our customers on purchase order basis.

**Following are the products manufactured by our company:**

### 1. Phosphorus Trichloride ( $\text{PCl}_3$ )

Phosphorus Trichloride is colorless or slightly yellow fuming liquid with a pungent and irritating odor resembling that of hydrochloric acid. It is used during electrodeposition of metal on rubber and for making pesticides, surfactants, gasoline additives, plasticizers, dyestuffs, textile finishing agents, germicides, medicinal products, and other chemicals.

### 2. Phosphorus Oxychloride ( $\text{POCl}_3$ )

Phosphorus Oxychloride is a colorless fuming liquid with a pungent odor. It is toxic by inhalation and corrosive to metals and tissue. It is used in gasoline additives and hydraulic fluids.

### 3. Phosphorus Pentachloride ( $\text{PCl}_5$ )

Phosphorus Pentachloride is a greenish-yellow crystalline solid with an irritating odor. It is decomposed by water to form hydrochloric and phosphoric acid and heat. This heat may be sufficient to ignite surrounding combustible material. It is corrosive to metals and tissue. It is used to manufacture other chemicals, in aluminum metallurgy, and in the pharmaceutical industry.

### 4. Phosphorus Pentoxide ( $\text{P}_2\text{O}_5$ )

Phosphoric anhydride appears as a white amorphous powder. Corrosive to metals and tissue and moderately toxic. The usage of phosphorus pentoxide varies significantly in the chemical industry due to its applications as laboratory reagent, starting or reagent material in synthesis processes, and in heat-insulating glass production.

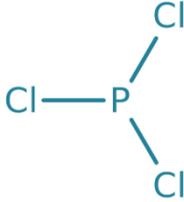
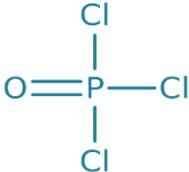
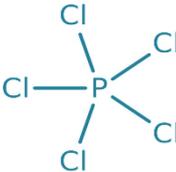
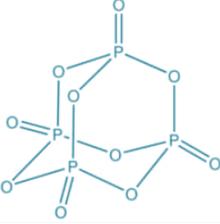
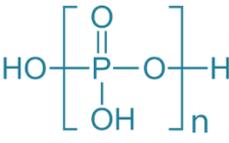
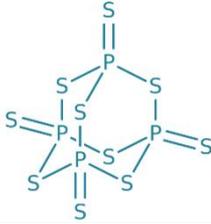
### 5. Poly Phosphoric Acid (PPA)

Polyphosphoric acid is a hygroscopic, clear and viscous liquid. It has been synthesized by reacting phosphoric acid with phosphorus (V) oxide. It is a moderately strong mineral acid with a wide range of applications. Polyphosphoric acid can be used in the manufacture of special supported catalysts, e. g. for use in the production of cumene from benzene. Polyphosphoric acid can be used in the descaling and brightening of metal surfaces. Polyphosphoric acid is suitable for the drying of gas streams.

## 6. Phosphorus Pentasulfide (P<sub>2</sub>S<sub>5</sub>)

Phosphorus pentasulfide is the inorganic compound with the formula P<sub>2</sub>S<sub>5</sub>. It is generally yellow solid in nature. It is used in the production of safety matches, lube oil additives, and pesticides.

Following is the graphical representation of scientific properties of our products

		
<b>Phosphorus Trichloride (PCl<sub>3</sub>)</b>	<b>Phosphorus Oxychloride (POCl<sub>3</sub>)</b>	<b>Phosphorus Pentachloride (PCl<sub>5</sub>)</b>
		
<b>Phosphorus Pentoxide (P<sub>2</sub>O<sub>5</sub>)</b>	<b>Poly Phosphoric Acid (PPA)</b>	<b>Phosphorus Pentasulfide (P<sub>2</sub>S<sub>5</sub>)</b>

## MANUFACTURING PROCESS AND PRODUCT DESCRIPTION

### 1. PHOSPHORUS TRICHLORIDE (PCl<sub>3</sub>)

#### ➤ **Product Feature:**

Phosphorus Trichloride is a colorless to slightly yellow oily, fuming liquid with a pungent and irritating odor. It is soluble in benzene, ethyl ether, carbon disulphide and in carbon tetrachloride. It is stable, but light sensitive, incompatible with water, many metals, fluorine, acids, variety of organic materials including acids, alcohols and reducing agents. It is toxic and highly corrosive.

#### ➤ **Product Properties**

Molecular formula	PCl <sub>3</sub>
Physical Appearance	Clear Colorless liquid
Molecular Mass	137.33 g/mol
Assay	99.00 % Min
Specific Gravity	1.550 - 1.580 g/cm <sup>3</sup>
Melting point	-93.6 °C (-136.5 °F; 179.6 K)
Boiling point	76.1 °C (169.0 °F; 349.2 K)
Solubility in water	Hydrolysis
Solubility in other solvents	Soluble in benzene, CS <sub>2</sub> , ether, chloroform, halogenated organic solvents

#### ➤ **Manufacturing Process**

The main process consists of reacting chlorine gas with Phosphorus.

Phosphorus in melt condition is reacted with chlorine gas in a jacketed reactor where process parameters are well maintained, the reaction is exothermic. The reaction mass vapors continuously fed to series of distillation columns where purification is taken place. Phosphorus Trichloride collected in certain ratio after condensation. The vent gases are scrubbed with water in a scrubber and forms a part of liquid effluent.

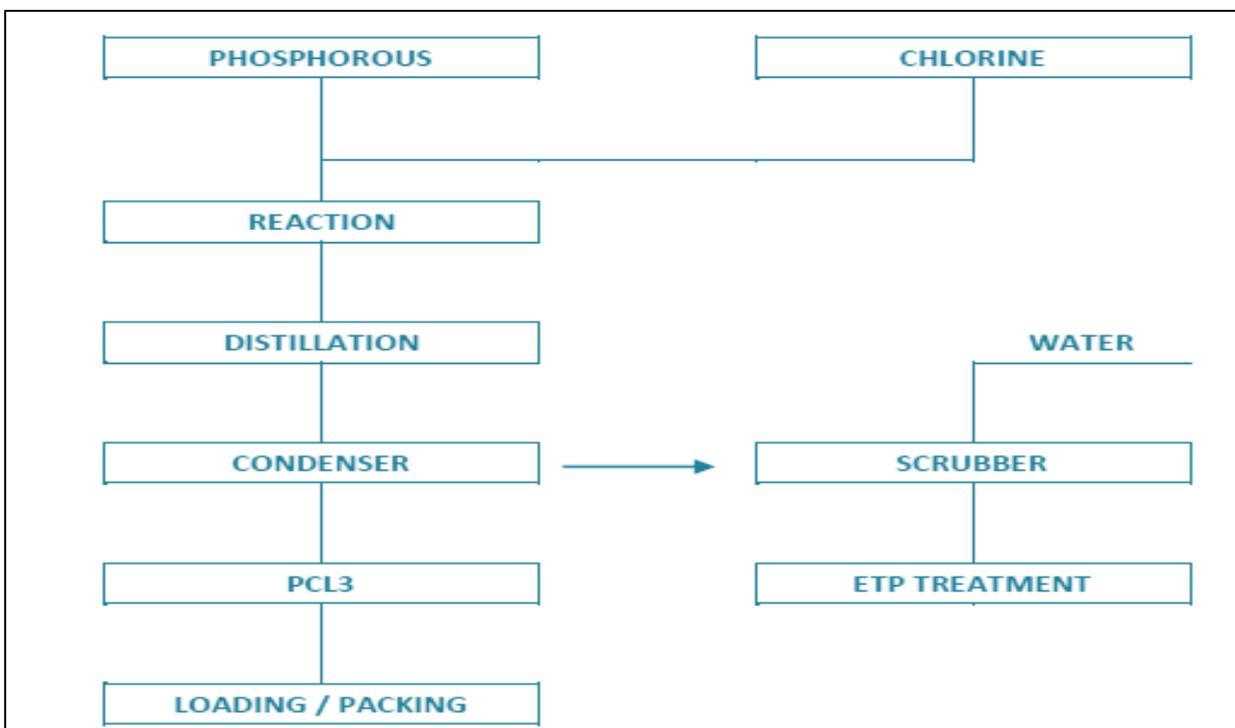
➤ **Chemical Reaction**

Following is scientific description of chemical reaction for manufacturing of PCL<sub>3</sub>.



$$61.94 + 212.7 = 274.64$$

➤ **Process Flow**



➤ **End Use:**

1. It is used to produce sulfadiazine (SD) and sulfamethoxydiazine (SMD) in the pharmaceutical industry.
2. It is used in the manufacture of surfactants and sequestrates, including phosphorus acid, used primarily for water treatment chemicals.
3. It is used as an intermediate for the manufacturing of plastics additives, including flame retardants, plasticizers, phosphite antioxidants, and stabilizers for plastic and elastomers. For example, oxidation of PCl<sub>3</sub> gives POCl<sub>3</sub>, which is used for the manufacture of triphenyl phosphate and tricresyl phosphate, which find application as plasticisers for PVC.
4. It is a pesticide intermediate. The majority of production of phosphorus trichloride is used in the manufacture of organophosphorus pesticides including glyphosate, the active component of ROUNDUP (herbicide), dipterex (insecticide), methamidophos (insecticide), diazinon (insecticide), kitazin (fungicide).
5. Phosphorus Trichloride is used as a condensation agent for naphthol in the dye industry.
6. Used as catalyst, solvent and reagent in organic synthesis (e.g. to convert primary and secondary alcohols into alkyl chlorides, or carboxylic acids into acyl chlorides).
7. Used during electrodeposition of metal on rubber, for making textile finishing agents and for gasoline additives.
8. Organo phosphonates, derived from phosphorus trichloride, except for agrochemical applications, are used in a variety of chelating agents, corrosion inhibitors and anti-scaling agents.
9. Used to make tri octyl phosphine oxide (TOPO), an extraction agent.

➤ **Packing:**

PCL<sub>3</sub> is available in 200 Kg MS Drums and Specially designed Road Tankers.

2. **PHOSPHORUS OXYCHLORIDE (POCl<sub>3</sub>)**

➤ **Product Feature:**

Phosphorus Oxychloride is a colorless or slightly yellow fuming liquid with a pungent odour. It is toxic and corrosive, soluble in several common organic solvents. Reacts violently with water. Incompatible with strong oxidizing agents, alcohols, bases (including amines). Stable under normal conditions of use and storage.

➤ **Product Properties**

Molecular formula	POCl <sub>3</sub>
Physical Appearance	Clear Colorless Fuming Liquid
Molecular Mass	153.33 g/mol
Assay	99.00 % Min
Specific Gravity @ 25°C	1.640 – 1.680 g/cm <sup>3</sup>
Melting point	-93.6 °C (-136.5 °F; 179.6 K)
Boiling point	105.8 °C (222.4 °F; 378.9 K)
Solubility in water	Reacts

➤ **Manufacturing Process**

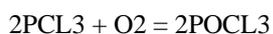
The main process consists of reacting chlorine gas with phosphorus.

Phosphorus is reacted with chlorine gas in a jacketed vessel which is extremely cooled by circulating cooling water in jacket. The vent gases are scrubbed with water in a scrubber and forms a part of liquid effluent.

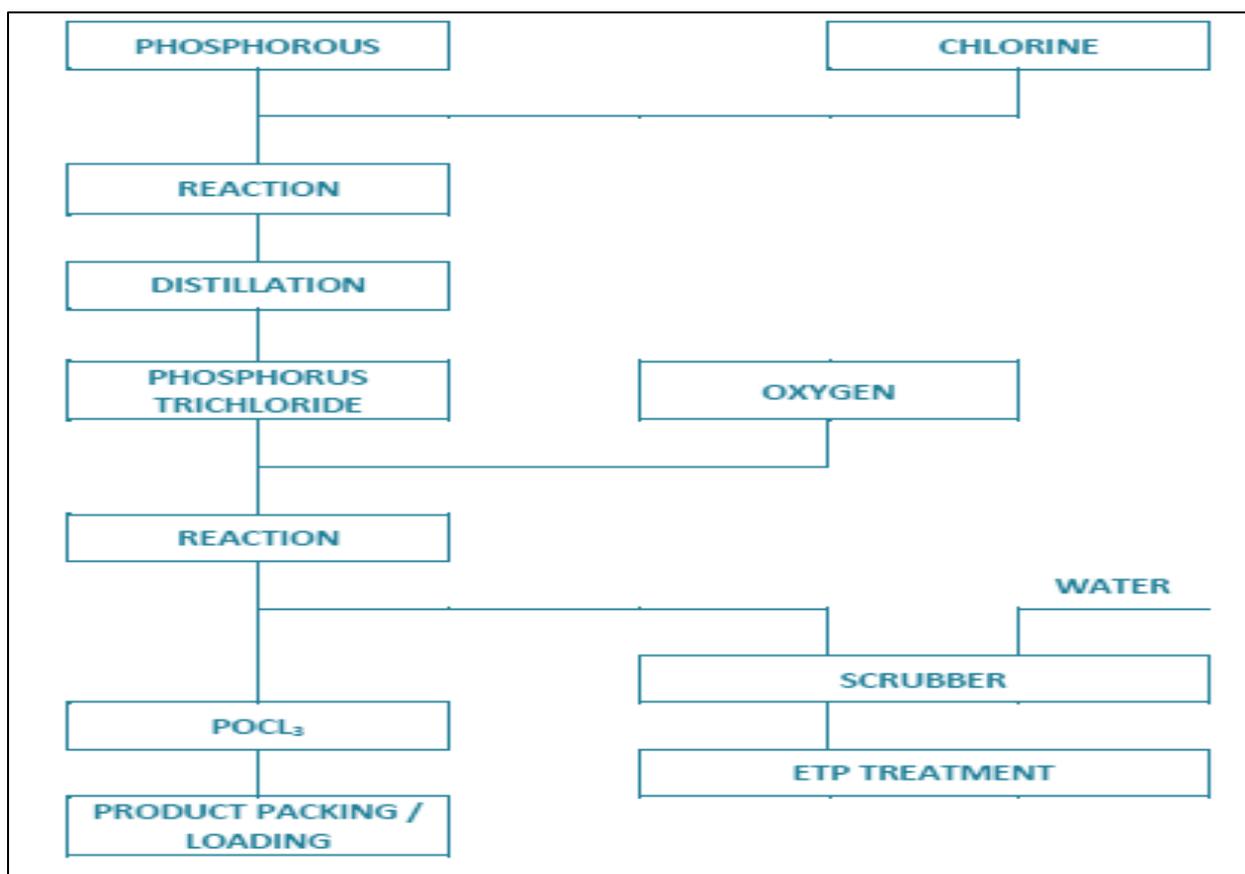
The Phosphorus Trichloride is reacted with oxygen gas in series of reactors with cooling arrangement to produce Phosphorus Oxychloride.

➤ **Chemical Reaction**

Following is scientific discription of chemical reaction for manufacturing of product



➤ **Process Flow**



➤ **End Use:**

1. Phosphorus Oxychloride is used in the manufacture of Phosphate Esters. The esters are widely used in plasticizers for PVC, non-flammable hydraulic fluids, lube oil additives, pesticides, and flame retardants. Tri aryl phosphate esters such as Tri Phenyl Phosphate and Tri Cresyl Phosphate are used as flame retardants and plasticizers for PVC. Meanwhile tri alkyl esters such as Tri Butyl Phosphate are used as liquid-liquid extraction solvents.
2. Phosphorus Oxychloride is used in the manufacture of several pharmaceuticals. For example, it is applied in chlorination reaction of long-valid p-amino benzene sulfonamide medicines.
3. Phosphorus Oxychloride is primarily used as a safe liquid phosphorus source for N-type doping in the fabrication of IC, solar cell and some semiconductor discrete components. The phosphorus acts as a dopant used to create N-type layers on a silicon wafer.
4. Phosphorus Oxychloride is used in the production of organic phosphorus pesticide like herbicides and insecticides. Phosphorus Oxychloride is widely used in producing materials of organic-phosphorus pesticide kill-grass agent (e.g. chlordimeform hydrochloride).
5. In the laboratory, Phosphorus Oxy Chloride is widely used as a dehydrating agent, for example for the conversion of amides to nitriles. Similarly, certain aryl amides can be cyclised to dihydroisoquinoline derivatives using the Bischler-Napieralski reaction. For example pyridones and pyrimidones can be converted to chloro-derivatives of pyridines and pyrimidines, which are important intermediates in the pharmaceutical industry.
6. Stuff of forming high-purity phosphoric acid. Catalyst and chlorinating agent in the synthesis of target molecules. Solvent in cryoscopy. Cross-linking agent for starch. Extraction agent for uranium ore. Anti-refraction doping source (in optical fiber)

➤ **Packing:**

Phosphorus Oxychloride is available in 50 Kg HDPE Jerry Cans, 300 Kg MS Composite Drums and Specially designed Road Tankers.

### 3. PHOSPHORUS PENTACHLORIDE (PCl<sub>5</sub>)

➤ **Product Feature:**

Phosphorus Pentachloride is the chemical compound with the formula PCl<sub>5</sub>. It is one of the most important phosphorus chloride, other being PCl<sub>3</sub> and POCl<sub>3</sub>. PCl<sub>5</sub> finds use as chlorination reagent. It is a colorless, water-sensitive and moisture-sensitive solid, although commercial sample can be yellowish and contaminated with hydrogen chloride.

➤ **Product Properties**

Molecular formula	PCl <sub>5</sub>
Physical Appearance	Pale Yellow Granular Powder
Assay	99.00 % Min
Melting point	148o C
Boiling point	160o C (Sublimes)
PCL3 Content	0.30% Max
Bulk Density	0.90 – 0.120 gm/cm <sup>3</sup>
Iron Content	15 ppm Max
Lead Content	15 ppm Max
Solubility	Soluble in Carbon Tetra Chloride, Benzene

➤ **Manufacturing Process**

The main process consists of reacting chlorine gas with phosphorus.

Phosphorus is reacted with chlorine gas in a jacketed vessel which is extremely cooled by circulating cooling water in jacket. The vent gases are scrubbed with water in a scrubber and forms a part of liquid effluent.

➤ **Chemical Reaction**

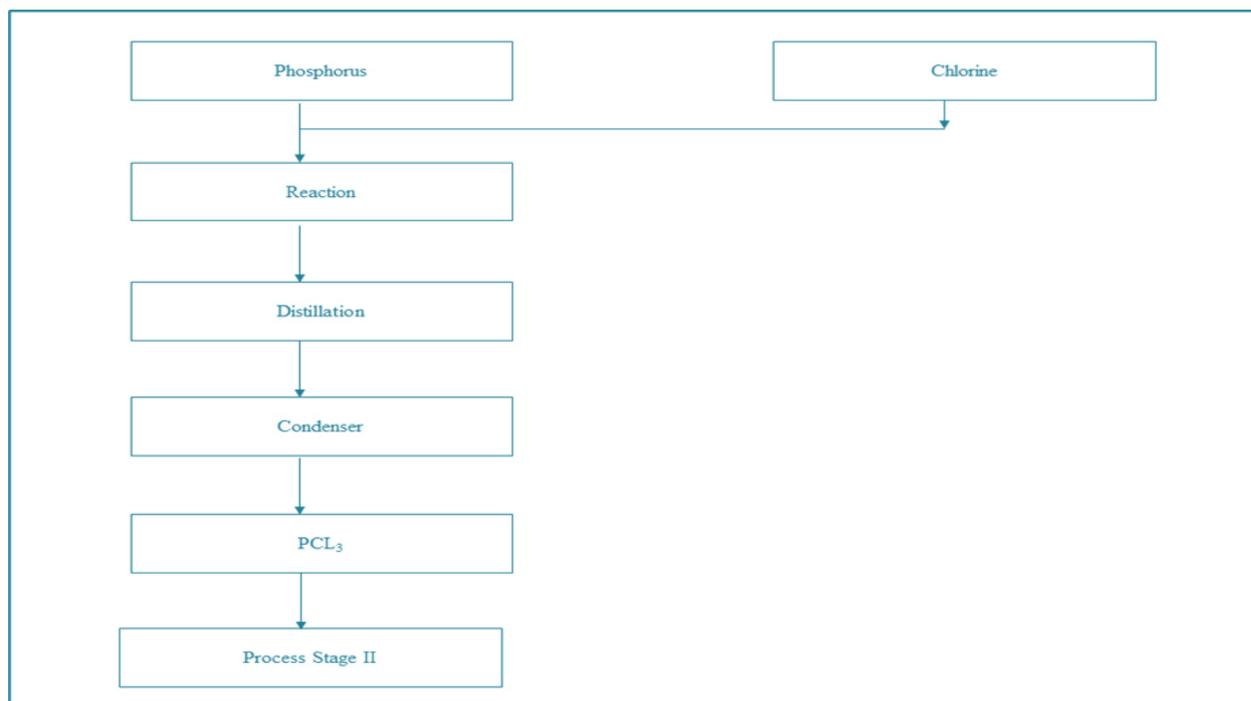
Following is scientific discription of chemical reaction for manufacturing of product



$$137.2 + 70.9 = 208.1$$

➤ **Process Flow**

#### PROCESS FLOW CHART FOR STAGE I



### ROUTE OF SYNTHESIS (FOR PROCESS STAGE II)

In a jacketed reactor with hot circulation, charge  $\text{PCL}_3$  at heat up to  $40^\circ\text{C}$ . Then raise the temperature to  $70$  to  $75^\circ\text{C}$  slowly add chlorine gas reactor with  $\text{PCL}_3$  vapors. The end product will be collected in a drum to around 1 or 2 hours' time reaction. The residue of  $\text{PCL}_3$  which is unused is reutilized in next batch.

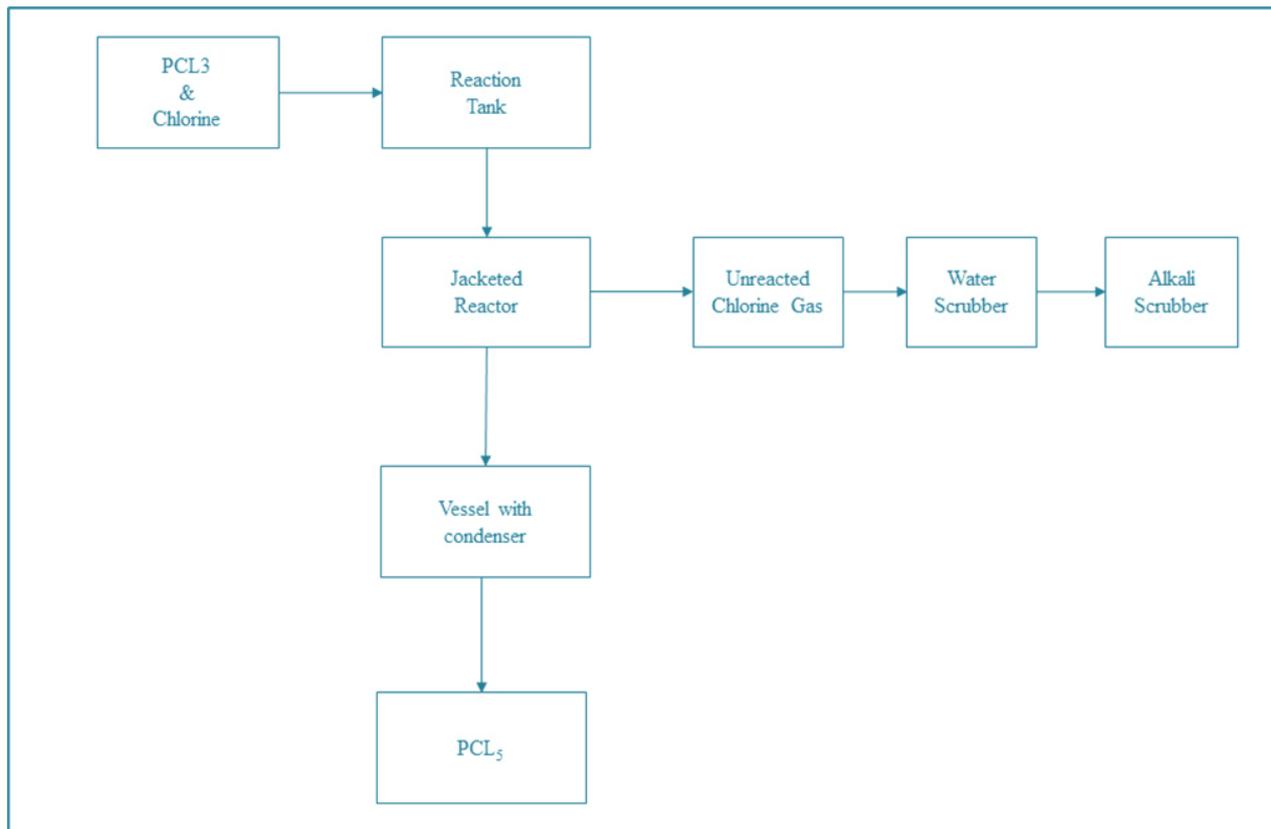
The Unreacted chlorine gas from the reactor and vapors from the vessel are passed through alkali scrubber in which sodium hypochlorite solution generated as by product.

#### ➤ CHEMICAL REACTION



$$137.2 + 70.9 = 208.1$$

### PROCESS FLOW CHART FOR STAGE II



#### ➤ End Use:

Phosphorus Pentachloride is a potent dehydrating agent as indicated by the exothermic nature of its hydrolysis.

#### ➤ Packing:

Phosphorus Pentachloride is available in 40 Kg open top drums or can be customized as per requirement of Client.

### 4. PHOSPHORUS PENTOXIDE ( $\text{P}_2\text{O}_5$ )

#### ➤ Product Feature:

Phosphorus Pentoxide is a chemical compound with molecular formula  $\text{P}_4\text{O}_{10}$  (with its common name derived from its empirical formula  $\text{P}_2\text{O}_5$ ). This white crystalline solid is the anhydride of phosphoric acid. It is a powerful desiccant and dehydrating agent.

#### ➤ Product Properties

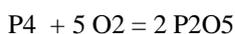
Molecular formula	$\text{P}_2\text{O}_5$
Physical Appearance	White Hygroscopic Powder
Molecular Weight	141.94
Assay	99.00 % Min

Bulk Density	0.7 – 0.9 gm/cc (Approx)
Water insoluble	0.02% Max
Iron Content	20 ppm Max
Arsenic	50 ppm Max
Heavy Metal as Lead	20 ppm Max

➤ **Manufacturing Process**

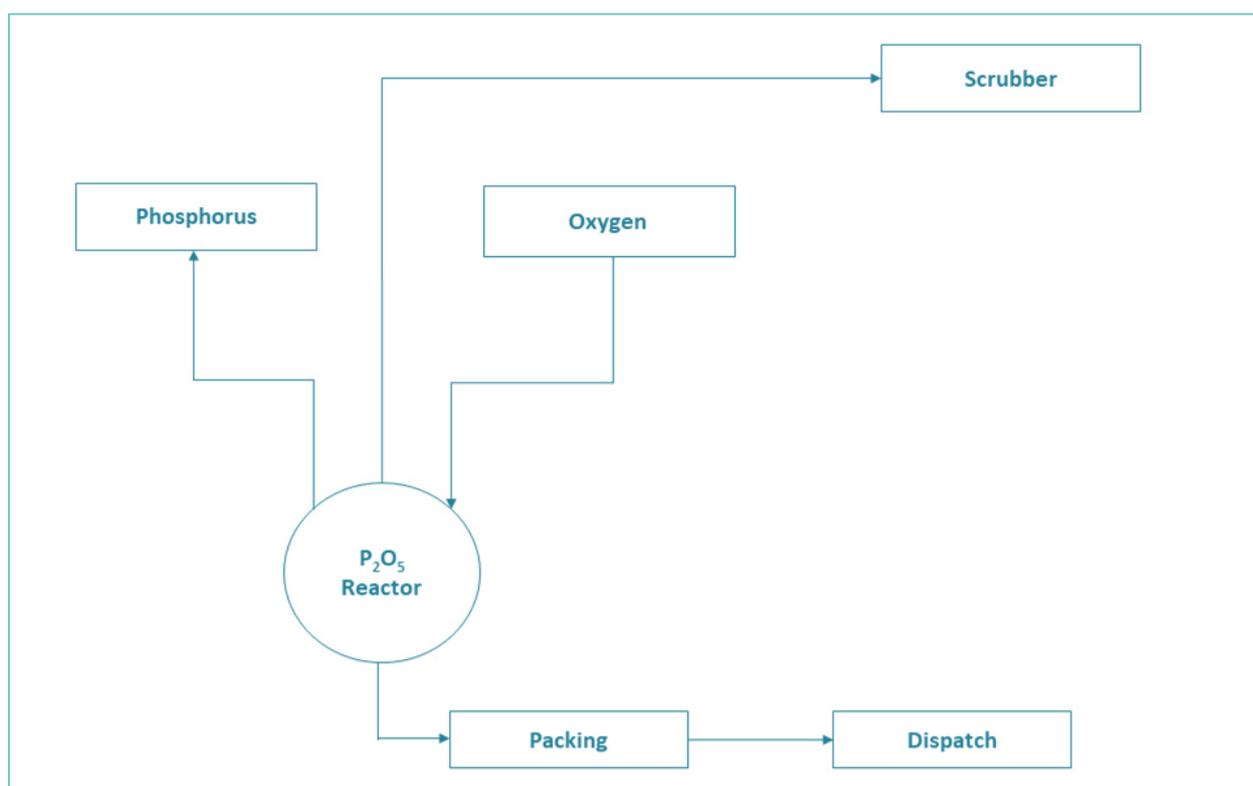
Yellow phosphorus and Oxygen is feed in certain ratio into the reactor assembly. Phosphorus reacts with oxygen at high temperature and it gives Phosphorus Pentoxide. In later stage after cooling process, a white micro crystalline powder is collected in receivers. The collected product is packed in desired packing after quality control approvals. Reactor vents are connected to multi stage scrubbing system which gives POLY PHOSPHORIC ACID as byproduct.

**Chemical Reaction**



$$123.88 + 160 = 283.88$$

➤ **Process Flow**



➤ **End Use:**

Phosphorus Pentoxide is a potent dehydrating agent as indicated by the exothermic nature of its hydrolysis.

➤ **Packing:**

Phosphorus Pentoxide is available in 50 Kg HDPE Drums in 25 Kg x 2 HM Liner Bags Packing. Also available in special customized required packing.

**5. POLY PHOSPHORIC ACID**

➤ **Product Feature:**

Phosphorus Pentoxide is a chemical compound with molecular formula H<sub>3</sub>PO<sub>4</sub>. Poly Phosphoric acid (PPA) is widely employed as acylation reagent in various reactions. It is a strong mineral acid with excellent dehydrating properties.

➤ **Product Properties**

Chemical Name & Synonyms	P2O5
Molecular formula	153.33 g/mol
Assay	99.00 % Min
Molecular Weight	98.0 g/mol

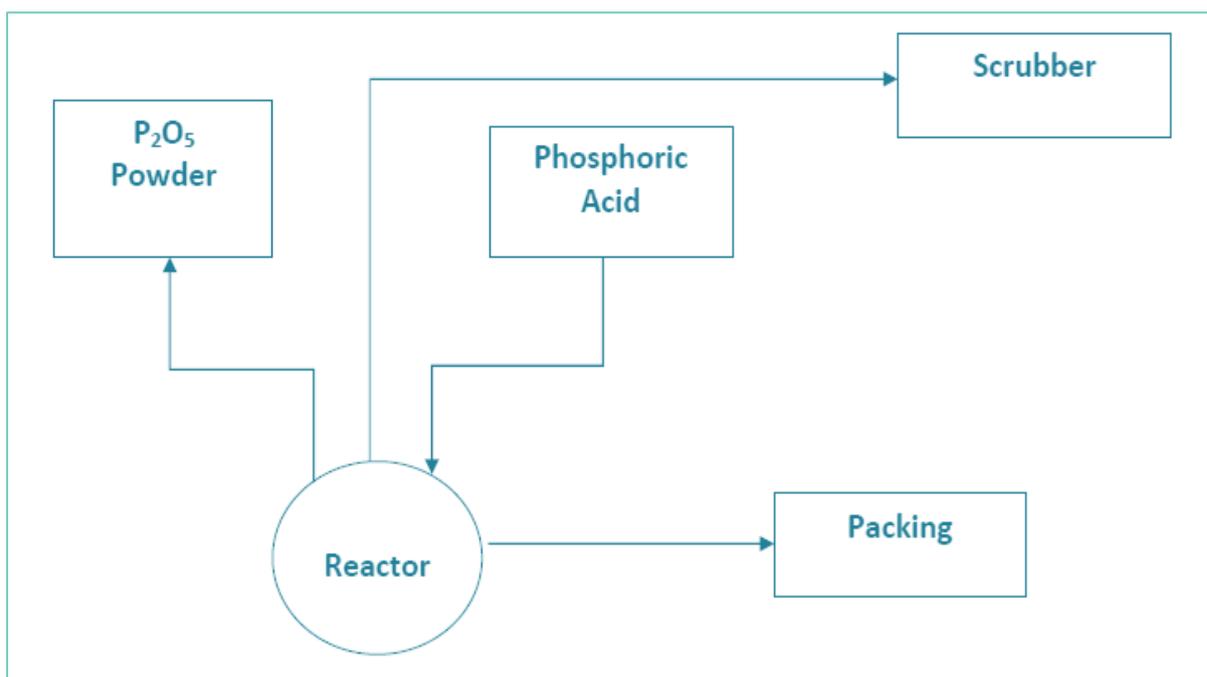
➤ **Manufacturing Process**

Phosphorus Pentoxide powder and Phosphoric Acid is mixed in the reactor at high temperature and its gives Poly Phosphorus Acid, reactor vent attached with three stages scrubber.

➤ **Chemical Reaction**



➤ **Process Flow**



➤ **End Use:**

1. Poly phosphoric acid is used in the synthesis of aromatic sulfones, N-substituted amides and 4-aminobenzophenones. It is also used in dehydration, Fischer-Indole Synthesis, Beckmann Rearrangement and Schmidt Rearrangement reactions.
2. It can be used as a catalyst in the synthesis of various aromatic ketones. PPA is used as a catalyst during the synthesis of dimethyl carbonate (DMC) from urea and methanol.
3. It also acts as an absorbent for the ammonia generated in the process. PPA is used to prepare silica-supported poly phosphoric acid (PPA-SiO<sub>2</sub>), an easy to handle reusable heterogeneous catalyst.

➤ **Packing:**

Poly Phosphoric Acid is available in 50 Kg HDPE Carboys.

## 6. **PHOSPHORUS PENTASULFIDE**

➤ **Product Features**

Phosphorus Pentasulfide is an inorganic compound with molecular formula P<sub>2</sub>S<sub>5</sub>. It is yellow greenish in appearance and have various applications in Pharmaceuticals, Agrochemicals & Specialty Chemicals.

➤ **Product Properties**

Molecular formula	P <sub>2</sub> S <sub>5</sub>
Physical Appearance	Greenish Yellowish Powder
Molecular mass	222.27 g/mol

Melting Point	288 *C
Boiling Point	514 *C
Solubility in water	Hydrolysis

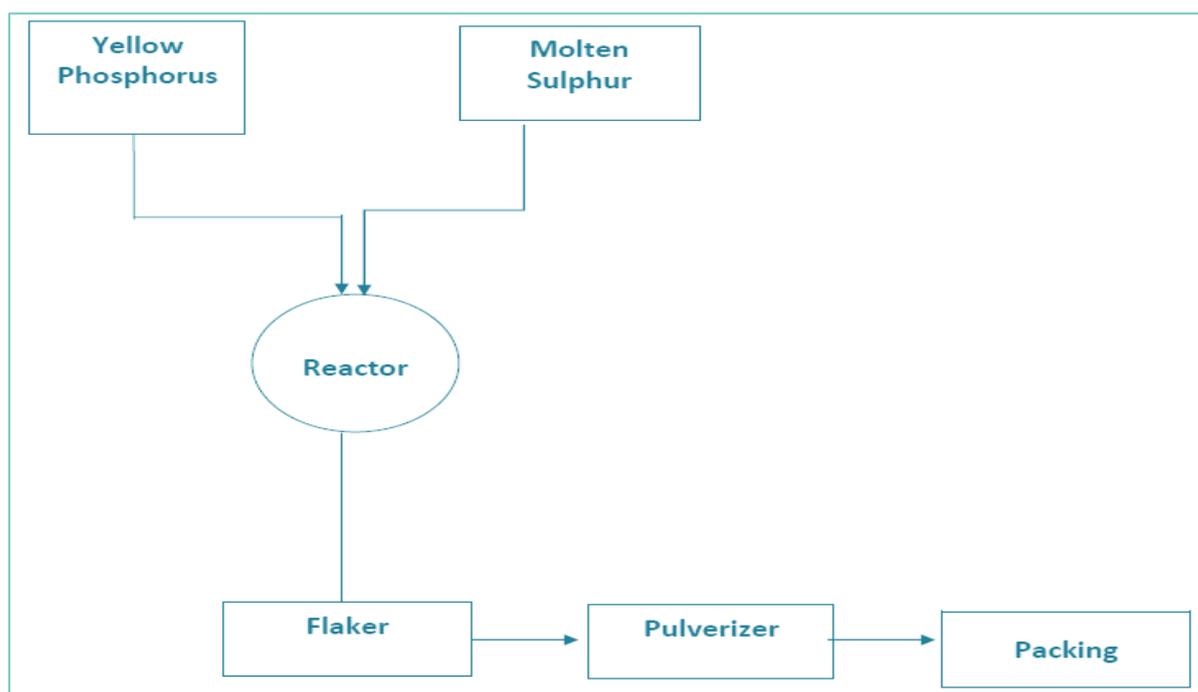
➤ **Manufacturing Process**

Yellow Phosphorus and Molten Sulfur is charged into reactor at a specified ratio under Nitrogen atmosphere. The product from reactor is transferred to Flaker via systematic arrangements. Flaked P<sub>2</sub>S<sub>5</sub> is pulverized to obtain desired powder.

➤ **Chemical Reaction**



➤ **Process Flow**



➤ **End Use:**

1. It is widely used in the production of agrochemicals such as Pesticides Parathion and Malathion and various pharmaceutical APIs.
2. It is a key raw material to manufacture lubrication additive such as Zinc Dithiophosphates.
3. It is a component of amorphous solid electrolytes eg Li<sub>2</sub>S-P<sub>2</sub>S<sub>5</sub> for Lithium batteries.

➤ **Packing**

Phosphorus Pentasulfide comes under various states such as powder, flakes and is available in 200 Kg Drums.

## OUR COMPETITIVE STRENGTH

### 1. Experienced Promoter and Management Team:

Our management team is well experienced in the industry in which we are operating and has been responsible for the growth of our operations and financial performance. Our Promoter Mr. Vipul Jatashanker Bhatt leads the company with his vision. He has an experience of three decades in the Chemical Industries and look after the strategic as well as day-to-day business operations. The strength and entrepreneurial vision of our Promoter and management have been instrumental in driving our growth and implementing our strategies. We believe that a motivated and experienced employee base is essential for maintaining a competitive advantage. Our motivated team of management and key managerial personnel complement each other to enable us to deliver high levels of client satisfaction.

### 2. Prime Location of our Manufacturing Facility:

Our Manufacturing Facility is located at Dahej Industrial Estate of PCPIR Region of Gujarat. In this estate all the infrastructure facilities such as power, roads facilities, water etc. are developed by State Government. The Manufacturing Facility is strategically located. Our manufacturing units enjoy the good connectivity through National Highway roads and railway, which makes the movements of the raw material as well as finished goods easy and comfortable. Thus, it helps with smooth procurement of raw material from the suppliers and delivery of finished goods to the customers. The vicinity advantage adds to the cost effectiveness and reliability for our suppliers and customers.

### **3. Long-standing relationships with a diversified customer base**

We believe that we have been able to establish long term relationships through decades of association and collaborative efforts. Our key strength lies in the customer comprising of direct end use manufacturers only. Such an association has also allowed our products to be approved by our customers, which by itself takes considerably longer time due to the complex chemistries involved in the manufacture of the specialty chemicals. Our customer engagement involves tedious quality and performance tests of our products and facilities. This provides us with an advantage as new entrants need to make significant efforts in approval procedures. During the time of less demand in the market, a diversified customer base provides us with a competitive advantage of sales supports.

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

We keep QEHS as the most primary & vital aspect of working. We are focused on sustainability by keeping Quality, Environment, Health and Safety as key parameters.

The management believes in maintaining high standards of quality, which is critical to our functioning and continued growth. Our manufacturing operations adhere to top quality manufacturing areas. High quality Instrumentation, application of PLC/SCADA base production to ensure consistent quality, efficacy and safety of products.

Our company is certified by Bureau Veritas for ISO 9001:2015; ISO 14001:2015 and ISO 45001:2018 standards. Many of our key customers have audited our plants and operation through stringent methods in previous fiscal years. Further to our sustainable effort for the environment and safety, our plant is ZLD (Zero Liquid Discharge) having organized methodology.

We have dedicated specialist people for safety operation along with installing comprehensive safety equipment such as 150 M3 fire water storage tank, electrical and diesel pump, an all-around fire hydrant system, various numbers of fire extinguishers at key locations, self-breathing apparatus. Cl2 leakage Kit, and many more. In our operations we have deployed multiple stage scrubber systems which are PLC/SCADA operated and a special SKID system for handling large volumes of chlorine for production plants.

### **5. Wide Application of Products**

Our products are widely used in various application for Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyestuff, Pigments and Plastic Additives. This benefits us from less dependency on one industry, which ultimately helps us in achieving strong financial growth.

## **BUSINESS STRATEGY**

### **1. Continue improving financial performance through focus on operational and functional efficiencies**

Optimization and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in supply chain management or during the production process. Our core team also focuses on the refinement of our manufacturing processes, aimed at improved yield and efficiency, by optimizing and modifications of various parameters. We also propose to develop eco-friendly and cost-effective production processes. We are also focused on improving our cost efficiency by optimizing the effective sourcing of raw materials, which we have ensured, as a business strategy, over the last several years. Ensuring cost efficiencies is a significant parameter in order to compete effectively, whether in the domestic market or overseas.

### **2. Increase in Installed Capacity on year on year basis.**

Our installed capacity was increased year on year basis from 12000 MT in the FY 2019-20. In FY 2020-21 our Installed capacity was increased to 13200MT and later on it was Increased to 28800 MT in FY 2021-22. Due increased in our product demand we cater to our customers by increasing our installed capacity as a part of our busines strategy.

### **3. Leveraging our market skills, relationship and leadership position in Phosphorus Derivatives**

### **4. The approach of our Company is customer-centric and always strives to maintain a good relationship with the customers. Leveraging our market skills and decades of relationships with customers is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by enhancing customer satisfaction. Our Quality Assurance and Quality Control Team ensures good quality products. Our check list**

method is implemented at various levels of production as well as dispatch to ensure zero complaints and 100 % customer satisfaction. We believe we are well positioned in the Phosphorus Derivatives market to encapsulate the growth opportunities. Process Development division (QA & QC) in phosphorus chemistry and new upcoming product requirements shall be key advantages for us. Our production capacity and capability to manufacture large scale Phosphorus Derivatives will quickly boost our top line growth.

#### 5. Increase wallet share with existing customers and continued focus to expand customer base

The driving force of our business is the ability of us to attain repetitive business from our customers. Vital Chemtech Limited has been recognized as preferred supplier for many Multinational Companies. The addition of the value of being preferred supplier is due to consistency in quality material supply along with our efforts such as technical interaction, performance assurance and various other strategic endeavors. We believe that our continuing endeavors for quality and process optimization will help increase our overall market share.

We intend to continue to leverage our existing sales and marketing network, diversified product portfolio and our industry standing to establish relationships with new multinational, regional and local customers and expand our customer base to grow our market share effectively.

Going forward, we intend to increase our sales in export markets by increasing the wallet share of international customers. This shall subsequently increase our export revenues and global reach.

### FINANCIAL HIGHLIGHTS

Our Company has robust growth and improvement in top line and bottom line on restated basis in the past Financials years which is explained below:

(₹ In Lakhs)

Particulars	For FY 2021-22	November 25, 2021 to March 31, 2022	April 01, 2021 to November 24, 2021	FY 2020-21	FY 2019-20
Total income	14,320.25	5,761.46	8,558.80	4,739.65	4,115.98
EBITDA	2,460.68	1,148.36	1,312.33	644.19	417.53
EBITDA %	17.18	19.93	15.33	13.59	10.14
PAT	1,455.44	670.94	784.50	293.78	105.38
PAT %	10.16	11.65	9.17	6.20	2.53
Debt to Equity	2.61	2.61	2.43	1.68	3.14

#### Product wise Sales Bifurcation

(₹ In Lakhs)

Particulars	November 25, 2021 to March 31, 2022	April 01, 2021 to November 24, 2021	FY 2020-21	FY 2019-20
Phosphorus Trichloride	1,322.67	2,512.46	1,060.59	1,378.44
Phosphorus Oxychloride	2,609.57	4,783.59	2,827.63	2,044.12
Phosphorus Pentoxide	970.27	809.06	593.21	560.33
Phosphorus Pentachloride	261.85	316.75	111.55	41.24
Poly Phosphoric Acid	512.68	57.74	6.29	3.17
Phosphorus Pentasulfide	0.00	0.00	0.00	0.00
<b>Total</b>	<b>5,677.04</b>	<b>8,479.61</b>	<b>4,599.27</b>	<b>4,027.30</b>

#### Geographical Sales Bifurcation

(₹ In Lakhs)

Particulars	November 25, 2021 to March 31, 2022	April 01, 2021 to November 24, 2021	FY 2020-21	FY 2019-20
<b>Domestic</b>				
Gujarat	2,465.28	3,475.87	2,155.43	2,186.24
Andhra Pradesh	1,059.52	1,762.51	1,136.20	492.10
Telangana	865.61	1,557.29	660.99	583.46
Maharashtra	781.52	970.11	358.36	547.76
Goa	81.40	26.39	12.62	0.00

Particulars	November 25, 2021 to March 31, 2022	April 01, 2021 to November 24, 2021	FY 2020-21	FY 2019-20
Madhya Pradesh	79.45	143.50	131.34	78.57
Uttar Pradesh	75.82	40.70	0.00	1.22
Haryana	40.04	295.56	35.92	34.50
Punjab	20.56	12.19	4.36	16.64
Dadra & Nagar Haveli	20.30	98.08	90.52	5.67
Karnataka	8.00	44.06	2.47	0.00
Daman & Diu	0.00	0.00	0.00	58.64
Orissa	0.00	8.55	0.75	0.00
Rajasthan	0.00	43.20	7.57	16.85
Tamil Nadu	0.00	0.21	2.75	5.64
West Bengal	0.00	1.39	0.00	0.00
<b>Sub Total</b>	<b>5,497.49</b>	<b>8,479.61</b>	<b>4,599.27</b>	<b>4,027.30</b>
<b>Export</b>				
Saudi Arabia	179.55	0.00	0.00	0.00
<b>Sub Total</b>	<b>179.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>5,677.04</b>	<b>8,479.61</b>	<b>4,599.27</b>	<b>4,027.30</b>

## SWOT ANALYSIS



## COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

Our Company has not entered into any collaboration, or performance guarantee or assistance for marketing with any Company.

## MARKETING

Our success lies in the strength of our relationship with our customers who have been associated with us for reasonable continuous period. Our Promoter Directors through their experience and good relations with customers owing to timely and quality delivery of products plays an instrumental role in creating and expanding a work platform for our Company. Our company mainly follows mouth to mouth marketing and in-person visits and calls to existing and proposed customers.

We undertake marketing in a traditional way in guidance of our promoter through marketing team. We follow mouth to mouth and B&B marketing headed by our promoter director Mr. Vipul Jatashanker Bhatt and our director Jay Vipul Bhatt.

The backend operations of the sales in the company are driven by technology. The whole operation is managed by SAP system. Starting from the lead generation from the customer, Quotation generation, following up stage wise analysis by the system, controlled closing period and Sales Order generation. System based won & lost lead data analysis is used to form further sales strategies along with constant new customer management data.

We regularly take part in various trade shows such as ChemExpo and CPHi in India and visit other global shows for customer interactions and developments.

The management and promoter strive hard to maintain their standards and excellence in service to meet maximum customer contentment. Management continuously works to provide timely delivery of products with superior quality at competitive prices.

## END USERS

We sell our products on B2B to various industries such as Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyes, Pigments and Plastic Additives.

Product wise end use details are provided under heading “Manufacturing Process and Product Description ” above under this chapter.

## TECHNOLOGY

Our Company has technology driven applications in our plants.

Major implementation of technology in the company includes:

- Implementation of SAP- Operations such as Production Planning, Sales, CRM, Purchase, Finance, QC/QA, Stores and Dispatch are interlinked and integrated. Performance Report generations and constant evaluation of various functions by management for better output and efficient running.
- Secured cloud-based server for secure and safer access to data.
- Production of major plants are PLC/SCADA based ensuring optimum output along with high precaution in Safety and Environment.
- Implementation of Microsoft Office 365 for better and faster communication within an organization and data management.
- Implementation of HR software to standardize records and empower employees.

## PLANT AND MACHINERIES

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives. List of major plant and machineries are as follows:

Following is the list of machineries in the **PCL3 Plant**

Sr. No.	Description
1.	Reactor-PCI3-R-101
2.	Reactor-PCI3-R-201
3.	Reactor-PCL3-R-701
4.	Distillation Column DC-101
5.	Distillation Column DC-102
6.	Serpentine Cooler EVC-101
7.	Serpentine Cooler EVC-201
8.	Catch Pot PCI3 CP-101
9.	Catch Pot PCI3 CP-201
10.	Cl2 Vaporiser V-101
11.	Cl2 Vaporiser V-201
12.	Chlorine Vaporiser System-701
13.	Distillation Column DC-701
14.	Reactor-PCI3 R-701
15.	Receiver Tank T-706
16.	Receiver Tank T-707

Sr. No.	Description
17.	RI Ring 25 MM
18.	RI Ring 50 MM
19.	Separation Tank - 701
20.	Separation Tank - 702
21.	Trombone Condenser H-701
22.	Vent Buffer V-701
23.	Melting Tank M-101
24.	Storage Tank PCI3 ST-101
25.	Storage Tank PCI3 ST-102
26.	Storage Tank PCI3 ST-103
27.	Vent Buffer PCI3 VB-1
28.	Vent Buffer PCI3 VB-2
29.	Vent Buffer PCI3 VB-3
30.	Vent Buffer PCI3 VB-4
31.	Vent Buffer PCI3 VB-5
32.	Vent Buffer PCI3 VB-6
33.	Vent Buffer PCI3 VB-7
34.	Vent Buffer Cl2 B-1
35.	Vent Buffer Cl2 B-2
36.	YP Day Tank YPDT-1
37.	YP Day Tank YPDT-2
38.	YP Day Tank YPDT-3
39.	YP Day Tank YPDT-4
40.	Hot Water Bath HWB-101
41.	Hot Water Bath HWB-102
42.	SCRUBBER TANK 3KL - T - 101 - A
43.	SCRUBBER TANK 3KL - T - 101 - B
44.	SCRUBBER TANK C COIL & BAFF 5 KL T - 101 - A
45.	HDPE SPIRAL SCRUBBER 5 MTR C - 101 - A
46.	HDPE SPIRAL SCRUBBER 5 MTR C - 101 - B
47.	SCRUBBER TANK C COIL & BAFF 5 KL T - 101 - B
48.	PCL3 STORAGE TANK
49.	PCL3 STORAGE TANK
50.	PCL3 STORAGE TANK
51.	SKID MOUNTED CHLORINE GAS EMERGENCY SCRUBBER SYSTEM
52.	YP DAY TANK YPDT - 703
53.	YP DAY TANK YPDT - 704
54.	HDPE SPIRAL VENTURY TANK C COIL & BAFF 3 KL T - 102 - A
55.	HDPE SPIRAL VENTURY TANK C COIL & BAFF 3 KL T - 102 - B
56.	HDPE SPIRAL VENTURY TANK C COIL & BAFF 3 KL T - 102 - C

Following is the list of machineries in the **POCL3 Plant**

Sr. No.	Description
1.	Reactor POC13 R-301
2.	Reactor POC13 R-302
3.	Reactor POC13 R-303
4.	Reactor POC13 R-304
5.	Reactor POC13 R-305
6.	Reactor POC13 R-306

Sr. No.	Description
7.	Reactor POC13 R-801
8.	Reactor POC13 R-802
9.	Reactor POC13 R-803
10.	Reactor POC13 R-804
11.	Reactor POC13 R-805
12.	Reactor POC13 R-806
13.	Reactor POC13 R-807
14.	PTFE PIPE WITH SPARGER AND THREADING COLLER
15.	Vent Buffer POC13 VB-1
16.	Vent Buffer POC13 VB-2
17.	STORAGE TANK POCL3 ST-104
18.	HDPE SPIRAL SCRUBBER 3 MTR C - 301 - A
19.	HDPE SPIRAL SCRUBBER 3 MTR C - 301 - B
20.	SCRUBBER TANK WITH C COIL & BAFF 3 KL T - 301 - A
21.	SCRUBBER TANK WITH C COIL & BAFF 3 KL T - 301 - B

Following is the list of machineries in the **P<sub>2</sub>O<sub>2</sub> Plant**

Sr. No.	Description
1.	Reactor P2O5 R-401
2.	Reactor P2O5 R-402
3.	Reactor P2O5 R-403
4.	Reactor P2O5 R-404
5.	Reactor P2O5 R-405
6.	Vent Buffer SS V-401
7.	Reactor P2O5 R-407
8.	Reactor P2O5 R-408
9.	Reactor P2O5 R-409
10.	Reactor P2O5 R-410
11.	Reactor P2O5 R-411
12.	Reactor P2O5 R-412
13.	Reactor P2O5 R-413
14.	Reactor P2O5 R-414
15.	BURNER SS 316L
16.	SS REACTOR WITH MS JACKET 1 KL
17.	Melting Tank M-201
18.	YP DAY TANK - YPDT - 409
19.	YP DAY TANK - YPDT - 410
20.	YP DAY TANK - YPDT - 411
21.	YP DAY TANK - YPDT - 412
22.	YP DAY TANK - YPDT - 413
23.	YP DAY TANK - YPDT - 414
24.	YP DAY TANK - YPDT - 415
25.	YP DAY TANK - YPDT - 401
26.	YP DAY TANK - YPDT - 402
27.	YP DAY TANK - YPDT - 403
28.	YP DAY TANK - YPDT - 404
29.	YP DAY TANK - YPDT - 405
30.	YP DAY TANK - YPDT - 406
31.	YP DAY TANK - YPDT - 407

Sr. No.	Description
32.	YP DAY TANK - YPDT - 408
33.	HDPE SPIRAL SCRUBBER 3 MTR - C - 401 - A
34.	HDPE SPIRAL SCRUBBER 3 MTR - C - 401 - B
35.	SCRUBBER TANK 1
36.	SCRUBBER TANK 2

Following is the list of machineries in the **PCL5 Plant**

Sr. No.	Description
1.	Reactor PCL5 GRL - R - 601
2.	M S REBOILER - PCL5 H - 601
3.	M S REBOILER - PCL5 H - 602
4.	BUFFER TANK PCL5 - V - 601
5.	BUFFER TANK PCL5 - V - 602
6.	REACTOR PCL5 GRL - R - 602
7.	M S REBOILER - PCL5 H - 603
8.	M S REBOILER - PCL5 H - 604
9.	M.S GRAPHITE LINED COLUMN
10.	ELECTRICAL HEATERS 12 KV - PCL5 -1
11.	ELECTRICAL HEATERS 12 KV - PCL5 -2
12.	BLOWER - BL - 602
13.	HDPE SPIRAL SCRUBBER 3KL - T - 601 - A
14.	HDPE SPIRAL SCRUBBER 3KL - T - 601 - B
15.	VENTURY TANK 3 KL C - 601 - A
16.	VENTURY TANK 3 KL C - 601 - B

Following is the list of machineries in the **P2S5 Plant**

Sr. No.	Description
1.	MS SILO 7.5 M3
2.	SS SILO 7.5 M3
3.	INCLINED SCREW CONVEYOR UNIT
4.	PIN MILL
5.	PULSE JET DUST COLLECTOR UNIT
6.	INCLINED SCREW CONVEYOR UNIT SS C304 6500 MM LONG (FLAKER To MS SILO)
7.	INCLINED SCREW CONVEYOR UNIT SS C304 4500 MM LONG (MS SILO TO BAGGING AREA)
8.	INCLINED SCREW CONVEYOR UNIT SS C304 6500 MM LONG (PIN MILL OUTLET TO SS SILO)
9.	INCLINED SCREW CONVEYOR UNIT SS C304 4500 MM LONG (SS SILO TO BAGGING AREA)
10.	PLC CONTROL SYSTEM
11.	PHOSPHORUS DAY TANK
12.	RUPTURE DISC
13.	SINGLE DRUM FLAKER
14.	IMPEDANCE HEATING SYSTEM
15.	NITROGEN GAS GENERATOR - 03 NM3/HR
16.	HEAT EXCHANGER
17.	NITROGEN PLANT - 50 NM3/HR
18.	SULPHUR BOTTOM POT
19.	SULPHUR STORAGE TANK
20.	PHOSPHORUS TOP POT
21.	SULPHUR TOP POT
22.	60KW INDUCTION HEATING SYSTEM

Sr. No.	Description
23.	PHOSPHORUS FLASH POT
24.	THERMOSYPHON POT FOR PLAN 53
25.	PHOSPHORUS BOTTOM POT
26.	REACTOR (PS)
27.	CHEMICAL WATER TANK 5KL
28.	CHEMICAL WATER TANK 5KL

Following is the list of **other utilities**

Sr. No.	Description
1.	IBR Boiler STB-01
2.	Boiler Stack-01
3.	COOLING TOWER - CT - 01
4.	COOLING TOWER - CT- 02
5.	COOLING TOWER - CT- 03
6.	Oxygen Tank
7.	Steam Boiler
8.	I.D.FAN 12.5HP - BL -901
9.	BAG FILTER WITH CONTROL PANEL - BF -901
10.	COOLING TOWER - CT - 01
11.	IBR BOILER - 2 TPH
12.	BAG FILTER
13.	PRESSURE REDUCING STATION IBR SIZE 080 X 100
14.	COOLING TOWER
15.	Chimney Self Supported
16.	BAG CLOSER MACHINE
17.	Air Compressor
18.	ELECTRICAL - D G SET
19.	Water Softener
20.	Evaporator-EVP-01
21.	Utility-Others
22.	Storage Boxes
23.	Evaporator-EVP-02
24.	Transformer 550 KV
25.	Weight Bridge
26.	WELDING MACHINE
27.	RVD
28.	DG SET - 250 KVA
29.	WELDING MACHINE
30.	HDPE SPIRAL VENCHURY TANK 5KL - T - 103
31.	TUBE SS 316 SIZE 3/8"
32.	HDPE TANK 2KL
33.	PP FRP TANK 2KL
34.	WATER SOFTENING PLANT
35.	PP FRP COLUMN
36.	SCREW AIR COMPRESSOR 25HP 105 CFM
37.	AIR HEADER SS 304
38.	VERTICAL AIR RECEIVER TANK 1 KL
39.	MONO RAIL HOIST
40.	REFRIGERATED AIR DRYER 150 CFM

Sr. No.	Description
41.	SCREW TYPE AIR COMPRESSOR GA37
42.	SOLENOID COIL 12V DC
43.	WEIGHING SCALE - DIGITAL FOR LABORATORY
44.	HDPE SPIRAL STORAGE TANK 5KL
45.	APFC PANEL
46.	MCC PANEL
47.	WEIGHING SCALE - ELECTRONICS 100 KG
48.	CHANGER OVER PANEL 400 A
49.	MCC PANEL - P2S5

### CAPACITY AND CAPACITY UTILIZATION

Presently, we are having four plant at our manufacturing facility in Dahej. The details of installed and capacity utilization is given here below table:

Particulars	Capacity Utilization								
	FY 2019-20			FY 2020-21			FY 2021-22		
	Installed Capacity (MT)	Actual Production (in MT)	% utilization	Installed Capacity (MT)	Actual Production (in MT)	% utilization	Installed Capacity (MT)	Actual Production (in MT)	% utilization
Phosphorus Trichloride	7,200.00	4,588.31	63.73%	7,200.00	4,051.66	56.27%	16,800.00	6,325.44	37.65%
Phosphorus Oxycloride	3,000.00	2,539.43	84.65%	3,600.00	2,929.41	81.37%	9,000.00	3,966.53	44.07%
Phosphorus Pentacloride	600.00	30.74	5.12%	1,200.00	129.75	10.81%	1,200.00	357.26	29.77%
Phosphorus Pentoxide	1,200.00	455.13	37.93%	1,200.00	408.90	34.07%	1,200.00	639.24	53.27%
Poly Phosphoric Acid	-	-	-	-	-	-	600.00	203.68	33.95%

*(Sources: Based on certificate dated July 05, 2022, issued by Manish B. Kevadia, B E Chemical (Chartered Chemical Engineer) (Completement Person Gov. Approved))*

**Note:** Our Company has started commercial production of Phosphorus Pentasulfide from FY 2022-23.

### COMPETITION

We operate in a highly competitive market and there are numbers of players. Price is the main factor in most cases for client making decision to have our products. We may face competition from our peers who have similar one or more division of our business. Competition emerges not only from small but also from big Regional and National and International players. Our experience in this business has enabled us to provide quality products in response to the customer 's demand for the best quality. Moreover, there are minimal entry barriers in this industry and any expansion in capacity of existing producers would further intensify competition.

Major edge over our competitors is we offer a full range of Phosphorus derivatives as compared to others

### RAW MATERIAL

Our Main raw material includes Yellow Phosphorus, Liquid Chlorine, Liquid Oxygen, Molten Sulphur.

- 1) Yellow Phosphorus –From Vietnam
- 2) Liquid Chlorine –From Gujarat
- 3) Liquid Oxygen – From Gujarat
- 4) Molten Sulphur – From Gujarat

### UTILITIES AND WATER

## **POWER**

We require power supply for manufacturing of our products and to meet our requirement, we have been provided with sufficient sanctioned load for our manufacturing facility from DGVCL (Dakshin Gujarat Vij Company Ltd). We are also having DG Set as power back up.

For Registered Office Electricity is supplied by Torrent Power.

## **WATER**

Water is required for our manufacturing process and drinking & sanitary purpose and adequate water resources are available at manufacturing facility. At manufacturing facility, water is supplied by GIDC.

## **LOGISTICS**

We rely on third party transporters for the delivery of our products to our customers and for procurement of Raw Materials from suppliers. We also have two road Tankers to supply our finished goods to our customers.

## **PACKING**

Packing details are provided under heading “*Manufacturing Process and Product Description*” of this chapter. Packing Materials are procured from near by location in Gujarat.

## **HUMAN RESOURCES**

Human resource is an asset to any industry. We believe that our employees are the key to the success of our business. Our manpower is a prudent mix of experienced and young personnel which gives us the dual advantage of stability and growth.

As on May 31, 2022, we have the total 50 Employees. Department wise bifurcation is provided below:

Sr. No.	Category of Employees	No. of Employees
1.	Manufacturing Facility	43
2.	Accounts and Finance	2
3.	Administration	5
	<b>Total</b>	<b>50</b>

## **EXPORTS & EXPORTS OBLIGATIONS**

Our company has recently started exporting to Saudi Arabia. As on the date of this Draft Red Herring Prospectus, our Company does not have any Export Obligation.

## **DETAILS OF IMMOVABLE PROPERTY**

The Details of the Immovable properties taken on lease basis are given below:

Sr. No.	Name of Lessor	Name of Lessee	Usage Purpose	Area	Rent	Tenure
1.	Mr. Vipul Jatashanker Bhatt & Sangeeta Vipul Bhatt	Vital Chemtech Limited	Registered Office	242.38 Sq. Mtr	₹ 2 Lakhs Per Month	For 11 Months and 29 Days from June 01, 2022.
2.	Gujarat Industrial Development Corporation	Vital Chemtech Limited	Manufacturing Facility	9099.60 Sq Mtr	Rs. 1,03,18,946 (Premium Price) at the time of Allotment of Land and ₹ 11 per Annum for 99 years there after.	For 99 years from February 19, 2014.

The details of the Immovable property owned by our company is given here below:

Sr. No.	Name of Seller	Name of Buyer	Purpose	Description of Property	Area	Consideration Paid	Date of Acquisition
NIL							

## **RECENT AND CONTINUING DEVELOPMENTS – COVID 19 PANDEMIC**

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India and other countries where our suppliers and customers are located. There have been multiple waves of infections that have impacted certain countries, with India most recently experiencing a second wave of infections that significantly increased the number of persons impacted by COVID-19. Since March 2021, there was a significant resurgence in the daily number of new COVID-19 cases and resulting deaths and the GoI and State Governments in India re-imposed lockdowns and other more restrictive measures in an effort to stop the resurgence of new infections. From March 2021 onwards, due to a “second wave” of increases in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. We have monitored and are monitoring the situation closely and is operating its activities with the required workforce as permitted by governmental authorities. Additionally, towards the end of calendar year 2021, World Health Organization designated Omicron, a variant that causes COVID – 19, of a great concern. As a result of the detection of new mutated strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, it is anticipated that we may be subject to further reinstatements of lockdown protocols or other restrictions, and the COVID-19 pandemic may continue to affect our business, results of operations and financial condition. For example, our operations were temporarily shut down at our Manufacturing Facility from March 23, 2020 to March 26, 2022, our ability to travel, interact with potential customers, pursue partnerships and other business transactions was affected, our inability to source key raw materials as a result of the temporary or permanent closure of the facilities of suppliers of our key raw materials affected our business. Further, a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order. For further information on the impact of COVID-19 on our business and the risks associated with COVID-19 to our business, see “*Risk Factors*” beginning from on page 24.

## DETAILS OF INTELLECTUAL PROPERTY

Our Company does not have Intellectual Property.

### Trademark

Sr. No.	Brand Name/Logo Trademark	Class	Registration / Application No.	Applicant	Date of Application	Current Status
1.		1	5535672	VITAL CHEMTECH LIMITED	July 19, 2022	Formalities Chk Pass

### Domain Name

Sr. No	Domain Name and ID	Registry Domain ID	Registrant Name and ID	Creation Date	Registry Expiry Date
1.	Vitalgroup.co.in	D407ADD6A103F4866B0580F5D5221B8F2-IN	<b>Registrar:</b> Endurance Digital Domain Technology LLP <b>ID-</b> 801217	December 09, 2021	December 09, 2022

## DETAILS OF INDEBTEDNESS

The details of facilities availed from Banks are as follows. For more details of other indebtedness please refer chapter titled “*Restated Financials statement*” starting from page no. 160 of Draft Red Herring Prospectus.

Name of Institution	Borrower Name	Sanction Amount		Purpose		Amount o/s as on March 31, 2022 (₹ In Lakhs)	Interest / Commission Rate per annum		Security/Margin	Period of Repayment
		Facilities	Rs. In Lakh	Facilities	Purpose		Facilities	Rate		
Axis Bank	Vital Chemtech Limited	Cash Credit (CC)	470	Cash Credit (CC) EPC PSCFC/PCS/PCF	Working	₹ 404.66 Lakhs	Cash Credit (CC) EPC PSCFC/PCS/PCF	Repo Rate +4.00% 8.00%	<b>Primary Security:</b> <b>For Cash Credit:</b> Exclusive charge by way of hypothecation over entire current	<b>CC/ EPC PSCFC/PCS/PCF C/ Loan Equivalent Risk - Upto 12 Months</b>

Name of Institution	Borrower Name	Sanction Amount		Purpose		Amount o/s as on March 31, 2022 (₹ In Lakhs)	Interest / Commission Rate per annum		Security/Margin	Period of Repayment
		EPC PSCFC/PCS/PCF C (Sub – Limit of CC)	(400)	C (Sub – Limit of CC)	Capital		C (Sub – Limit of CC)	p.a.	assets of the Company: present and future.  <b>For Letter of Credit:</b> Exclusive Charge on FDR of 25%, issued against LC, Raw Material Purchased Under LC  <b>For SBLC Limit:</b> Exclusive Charge on FDR of 25%, issued against the LC Raw Material Purchased Under LC.  <b>Collateral Security for all facilities:</b> Exclusive charge by way of equitable mortgage over factory land land and building located at D-3 151/I58, GIDC Dahej Phase III, Dist.Bharuch owned by Vital Chemtech LLP Exclusive charge by	<b>Letter of Credit-12 Months/ Max Usance Period upto 90 Days</b>  <b>SBLC for Buyer's Credit -12 Months/ Usance upto 120 Days in case of LC Usance</b>
		Letter of Credit	3500	Letter of Credit		Letter of Credit	0.90% p.a. (inclusive of all charges +GST)			
		SBLC for Buyer's Credit	(2000)	SBLC for Buyer's Credit	For Availment of Buyers Credit					
		Loan Equivalent Risk	30	Loan Equivalent Risk	For covering the forex/ interest rate exposure by way of forwards/ derivative contracts	SBLC for Buyer's Credit	1.50% p.a. (inclusive of all charges +GST) calculated on monthly basis			
		<b>Total</b>	<b>4000</b>			Loan Equivalent Risk	As per Treasury			

Name of Institution	Borrower Name	Sanction Amount	Purpose	Amount o/s as on March 31, 2022 (₹ In Lakhs)	Interest / Commission Rate per annum	Security/Margin	Period of Repayment
						<p>way of hypothecation over entire moveable fixed assets of the borrower including plant and machinery, equipment etc. other than vehicles hypothecated against auto loans, Exclusive Charge over FD for LC, BG and SBLC Exclusive Charge of the Plant and Machineries, free from Any Charge.</p> <p><b>Personal Guarantees of:</b> Mr. Vipul Bhatt Mrs. Sangeeta Vipul Bhatt</p>	
ICICI Bank	Vital Chemtech LLP	₹ 50.95 Lakhs	Car Loan	₹ 24.76 Lakhs	9.10% Per Annum, 1st of every month	Hypothecation on Vehicle	Repayable in 48 Equated Monthly Installments
SIDBI Loan	Vital Chemtech LLP	₹ 415.00 Lakhs	Expansion cum modernization of its existing manufacturing facilities.	₹ 355.23 Lakhs	8.90% Per Annum with monthly rests, 10th of every calendar month	<p><b>Primary</b></p> <p>1) First charge by way of hypothecation in favour of SIDBI of all the Borrower's movables, including the movables, plant,</p>	60 monthly installments comprising first 59 monthly installments of Rs. 6,92,000/- each followed by 60 <sup>th</sup>

Name of Institution	Borrower Name	Sanction Amount	Purpose	Amount o/s as on March 31, 2022 (₹ In Lakhs)	Interest / Commission Rate per annum	Security/Margin	Period of Repayment
						<p>machinery, machinery spares, tools &amp; accessories, office equipments, computers, furniture, and fixtures, MFA, etc.</p> <p><b>Collateral security</b></p> <p>1) Lien in favour of SIDBI over, mutual fund units in demat form, having a minimum Net Asset value of Rs. 85.00 lakh based on the lowest price quoted in the past 52 weeks. The NAV shall be reviewed on quarterly basis, and in case of any shortfall in the same, borrower shall arrange to furnish additional security to meet the said shortfall, to the satisfaction of SIDBI.</p> <p>2) Disbursement if any, pending creation</p>	<p>monthly installment of Rs. 672000/- after a moratorium of six months from the date of first disbursement of the loan as per the repayment schedule.</p>

Name of Institution	Borrower Name	Sanction Amount	Purpose	Amount o/s as on March 31, 2022 (₹ In Lakhs)	Interest / Commission Rate per annum	Security/Margin	Period of Repayment
						<p>of security as above shall carry additional interest of 1% p.a. From the date of disbursement.</p> <p><b>Personal Guarantee(s)</b></p> <p>1) Irrevocable and unconditional guarantee of shri Vipul Bhatt and Smt. Sangeeta Vipul Bhatt. The guarantee shall be joint and several. No Guarantee commission shall be payable to the Guarantor(s).</p> <p>2) Borrower shall make out a good and marketable tile to its properties / above properties to the satisfaction of SIDBI and comply with all such formalities as may be necessary or required for the said purpose.</p>	
BMW Financial	Vital Chemtec	₹48.50 Lakhs	Car Loan	₹ 45.81 Lakhs	9% ,1st of every month	Hypothecation of BMW car	Repayable In 48 Equated Monthly

Name of Institution	Borrower Name	Sanction Amount	Purpose	Amount o/s as on March 31, 2022 (₹ In Lakhs)	Interest / Commission Rate per annum	Security/Margin	Period of Repayment																																						
services	h LLP (Co-Borrower)						Installments																																						
HDFC Bank Limited*	Vital Chemtech LLP	₹ 4200 Lakhs <table border="1" data-bbox="421 592 730 1054"> <thead> <tr> <th>Facilities</th> <th>Rs. In Lakh</th> </tr> </thead> <tbody> <tr> <td>Letter of Credit (LC)</td> <td>4000</td> </tr> <tr> <td>SBLC/TL Gift City (Sub Limit of LC)</td> <td>(4000)</td> </tr> <tr> <td>Cash Credit (Sublimit of LC)</td> <td>(500)</td> </tr> <tr> <td>Pre/Post Shipment (Sub Limit of LC)</td> <td>(500)</td> </tr> <tr> <td>PSR</td> <td>200</td> </tr> <tr> <td><b>Total</b></td> <td><b>4200</b></td> </tr> </tbody> </table>	Facilities	Rs. In Lakh	Letter of Credit (LC)	4000	SBLC/TL Gift City (Sub Limit of LC)	(4000)	Cash Credit (Sublimit of LC)	(500)	Pre/Post Shipment (Sub Limit of LC)	(500)	PSR	200	<b>Total</b>	<b>4200</b>	Working Capital	NA	<table border="1" data-bbox="1245 592 1585 1091"> <thead> <tr> <th>Facilities</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>Letter of Credit</td> <td>0.80% p.a.</td> </tr> <tr> <td>SBLC/TL Gift City</td> <td>0.90% p.a.</td> </tr> <tr> <td>Cash Credit</td> <td>8.00% p.a. (3M T-bill + 3.74 Vo)</td> </tr> <tr> <td>Pre/Post Shipment</td> <td>T-bill prevailing on the date of loan booking or limit setting will be applicable</td> </tr> <tr> <td>PSR</td> <td>₹ 200 / Contract</td> </tr> </tbody> </table>	Facilities	Rate	Letter of Credit	0.80% p.a.	SBLC/TL Gift City	0.90% p.a.	Cash Credit	8.00% p.a. (3M T-bill + 3.74 Vo)	Pre/Post Shipment	T-bill prevailing on the date of loan booking or limit setting will be applicable	PSR	₹ 200 / Contract	<table border="1" data-bbox="1615 560 1845 1273"> <thead> <tr> <th>Facilities</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>Letter of Credit</td> <td>25% in form of FD</td> </tr> <tr> <td>SBLC/TL Gift City</td> <td></td> </tr> <tr> <td>Cash Credit</td> <td>25 Vo On Stock &amp; 30 % Debtors &lt; 120 Days</td> </tr> <tr> <td>Pre/Post Shipment</td> <td>15 % CIF terms &amp; 10 % in FOB Terms</td> </tr> <tr> <td>PSR</td> <td>NA</td> </tr> </tbody> </table>	Facilities	Details	Letter of Credit	25% in form of FD	SBLC/TL Gift City		Cash Credit	25 Vo On Stock & 30 % Debtors < 120 Days	Pre/Post Shipment	15 % CIF terms & 10 % in FOB Terms	PSR	NA	12 Months valid upto June 15, 2023
Facilities	Rs. In Lakh																																												
Letter of Credit (LC)	4000																																												
SBLC/TL Gift City (Sub Limit of LC)	(4000)																																												
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Pre/Post Shipment	15 % CIF terms & 10 % in FOB Terms																																												
PSR	NA																																												
Yes Bank Limited	Vital Chemtech Limited	162.64	Working Capital	0.00	12.53% p.a.	Loan Against Securities. Against Pledge of SBI Corporate Bond	NA																																						

\* Working Capital Loan from HDFC was availed by our company vide sanction letter dated May 31, 2022.

## INSURANCE

Presently, our company has following Insurance Policies:

Sr. No.	Insurance Company	Policy Number	Name of Insured/Proposer	Period of Insurance	Details	Sum assured (₹ in Lakhs)	Premium Paid (Amount in ₹)
1.	Shriram General Insurance Co. Ltd.	213001/31/22/003570	Vital Chemtech LLP	<b>Own Damage Policy Period:</b> From 00:00 Hrs of 27/08/2021 To 26/08/2022 23:59 Hrs of Midnight  <b>Liability Policy Period:</b> 27/08/2021 00:00 Hrs to 26/08/2022 23:59 Hrs of Midnight	Vehicle Insurance	8.63	52,840
2.	ICICI Lombard General Insurance Company Ltd.	2001/235868880/00/000	Vital Chemtech Limited	From: 14:34 Hours of December 24, 2021 To: Midnight of December 23, 2022	Marine Open Inland Declaration Policy	2500	88,501
3.	ICICI Lombard General Insurance Company Ltd.	2001/235868584/00/000	Vital Chemtech Limited	From: 14:26 Hours of December 24, 2021 To: Midnight of December 23, 2022	Marine Open Inland Declaration Policy	3000	1,06,201
4.	ICICI Lombard General Insurance Company Limited	4010/226025350/00/000	Vital Chemtech LLP	From: 26/08/2021 Time: 00:00 Hours To: Midnight of 25/08/2022	Workman Compensation Insurance	135.48	38,453.32
5.	Shriram General Insurance Co. Ltd.	213001/48/22/000086	Vital Chemtech LLP	From 00:00 on 23/08/2021 To Midnight of 22/08/2022	Burglary - Standard Policy	600.00	18,160
6.	The Oriental Insurance Company Ltd.	143600/11/2023/14	Vital Chemtech Limited	From: 16:43 on 07/06/2022 To: Midnight of 06/06/2023	Plant & Machinery Insurance	2600.00	4,34,367
7.	Bajaj Allianz General Insurance Company Ltd.	OG-23-2202-3301-00000016	Vital Chemtech Limited	From 00:00:00 20-06-22 To 19-06-23 Midnight	Public Liability Insurance	2500.00	2,06,500
8.	The Oriental Insurance Company Ltd.	143600/44/2023/1	Vital Chemtech Limited	From 17:14:00 08-06-22 To 07-06-23 Midnight	Boiler and Pressure Plant Insurance	67.18	23,901
9.	The Oriental Insurance Company Ltd.	143600/11/2023/16	Vital Chemtech Limited	From 16:00:00 07-06-22 To 06-06-23 Midnight	Fire – Loss of Profit Policy	4,243.81	10,37,705
10.	Go digit General Insurance Limited	D047303955 / 16102021	Vital Chemtech LLP	From: 00:00:01 21-10-2021 To: 20-10-22 23:59:59	Vehicle Package Policy – Goods Carrying Vehicle	8.96	40,235

## HISTORY AND CORPORATE STRUCTURE

### COMPANY'S BACKGROUND

Our Company was originally incorporated as a private limited company on November 11, 2013, as 'Rudra Chemtech Private Limited', under the provisions of the Companies Act, 1956. Subsequently, Our Company was converted to Limited Liability Partnership Firm as 'Rudra Chemtech Limited Liability Partnership' having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 on February 12, 2015, under the LLP Act, 2008. Thereafter, on February 20, 2015, name was changed to 'Vital Chemtech Limited Liability Partnership' pursuant to Rule 20(3) of the LLP Rules, 2009. Later on, our Limited Liability Partnership was converted to Public Limited Company under section 366 Part I chapter XXI of the Companies Act, 2013 as 'Vital Chemtech Limited' and fresh Certificate of Incorporation dated November 25, 2021, was issued by Assistant Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24299GJ2021PLC127538..

Our Promoter Mr. Vipul Jatashanker Bhatt started his business activity in the year 1993 in the name of Vital Chemical engaged in trading of various Chemicals focused particularly on Phosphorus Derivatives, Organophosphates & Polymers. In the year 2015 he founded Vital Chemtech Limited Liability Partnership engaged in manufacturing Phosphorus Trichloride. In the year 2016 our company had started commercial production of Phosphorus Oxychloride at our Dahej Manufacturing facility. In the year 2018 our company had started commercial production of Phosphorus Pentoxide and in year 2019 Phosphorus Pentachloride and Poly Phosphoric Acid at our Dahej Manufacturing facility.

In the year 2022 our company incorporated M/s Vital Synthesis Private Limited on April 26, 2022. Our company is holding 99% no of equity shares of Vital Synthesis Private Limited making it as subsidiary of our company. Our subsidiary is engaged in the business as buyer, seller, importer, exporter, producer and refiner to deal in all kinds, types and descriptions of chemical and Chemical related of activities.

Our Company is engaged in the business of manufacturing of Phosphorus Derivatives Products. Our Company is manufacturer and supplier of Phosphorus base chemicals with highest quality practice and compliant with Highest Environmental, Health, and Safety (EHS) in chemical industry. The company has State of the Art Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) operated in integrated complex in PCPIR region of Dahej, Gujarat, India for manufacturing of phosphorus base chemicals. Manufacturing Facility of our company is having integrated manufacturing facility for manufacturing of phosphorus base chemical. Our manufacturing Facility located in Dahej, Gujarat, has been certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas to maintain highest quality, environmental and safety practices. Our plant is ZLD (Zero Liquid Discharge) to ensure minimum emissions and waste generation. The state of the art operation ensures organized unflow state of the art manufacturing and supply sustainability to our valued customers.

Presently our company manufactures Phosphorus Trichloride (PCl<sub>3</sub>), Phosphorus Oxychloride (POCl<sub>3</sub>), Phosphorus Pentachloride (PCl<sub>5</sub>), Phosphorus Pentoxide (P<sub>2</sub>O<sub>5</sub>), Poly Phosphoric Acid (PPA) and Phosphorus Pentasulfide (P<sub>2</sub>S<sub>5</sub>) for our customers across segments such as Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyes, Pigments and Plastic Additives. Our company also does trading of its raw Material. Our company is in the process of obtaining approval of Phosphorus Pentasulfide (P<sub>2</sub>S<sub>5</sub>) from our customers.

### REGISTERED OFFICE:

Registered Office of the Company is presently situated at B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad-380015, Gujarat. The Registered office of our Company has been changed since incorporation, details of which are given hereunder.

Date of Change of Registered office	Registered Office		Reason
On Incorporation	308, Shalin Complex, Krishnabaug, Maninagar, Ahmedabad-380008, Gujarat.		Not Applicable
	Changed from	Changed to	
February 2, 2022	308, Shalin Complex, Krishnabaug, Maninagar, Ahmedabad-380008, Gujarat.	B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad-380015, Gujarat.	Administrative Convenience

### KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

For Key Awards, Certifications, Accreditations please refer to the section "Business Overview" on Page no 94 of this Draft Red Herring Prospectus

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

## **AUTHORIZED CAPITAL**

The following changes have been made in the Authorized Capital of our Company since inception:

<b>Date of Amendment</b>	<b>Particulars</b>
On Incorporation	Authorized Capital of ₹ 672.06 Lakhs Consisting into 67,20,600 (Sixty-Seven Lakhs Twenty Thousand Six Hundred only) Equity Shares of ₹ 10/-each.
February 20, 2022	The Authorised Share capital increased from ₹ 672.06 Lakhs Consisting of 67,20,600 (Sixty-Seven Lakhs Twenty Thousand Six Hundred only) equity shares of ₹ 10/- each to ₹ 1400.00 Lakhs Divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of ₹10/- each.
June 02, 2022	The Authorised Share capital increased from ₹ 1400.00 Lakhs Consisting of 1,40,00,000 (One Crore Forty Lakhs) equity shares of ₹ 10/- each to ₹ 2500.00 Lakhs Divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹10/- each.

## **MAJOR EVENTS**

There are no major events in the company since its incorporation except as mentioned below.

<b>Year</b>	<b>Key Events/Milestone/ Achievement</b>
2013	Our Company was incorporated as a private limited company under the name “ <i>Rudra Chemtech Private Limited</i> ”.
2015	Our Company was converted into Limited Liability Partnership under the name “ <i>Rudra Chemtech Limited Liability Partnership</i> ”
2015	Our Company setup Manufacturing Plant at Dahej, Gujarat in land admeasuring 9099.60 Sq. Mtr within the limits specified in the plan approved by the Joint Director Industrial Safety and Health, Surat Region.
2015	The name of our LLP “ <i>Rudra Chemtech Limited Liability Partnership</i> ” was changed to “ <i>Vital Chemtech Limited Liability Partnership</i> ”
2021	Vital Chemtech Limited Liability Partnership was converted into Public Limited Company under the name “ <i>Vital Chemtech Limited</i> ”
2022	Our Company achieved Annual Turnover of more than ₹ 100 Crores

## **OTHER DETAILS REGARDING OUR COMPANY**

For information on our activities, services, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page no. 94, 86 and 162 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page nos. 134 and 57 respectively of this Draft Red Herring Prospectus.

## **RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT**

For details regarding our capital raising activities through equity or debt, please see the section entitled “*Capital Structure*” and “*Restated Financial Information*” on page nos. 57 and 160 respectively of this Draft Red Herring Prospectus.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY**

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

## **HOLDINGS AND JOINT VENTURES OF THE COMPANY**

As on the date of this Draft Red Herring Prospectus, our Company does not have Holding Company or Joint Venture Company

## **SUBSIDIARIES OF THE COMPANY**

As on the date of this Draft Red Herring Prospectus, except as stated below, our company does not have any Subsidiary.

<b>Name of Subsidiary Company</b>	Vital Synthesis Private Limited
<b>Nature of Business</b>	Engaged in the activities as buyer, seller, importer, exporter, producer and refiner to deal in all kinds, types and descriptions of chemical and Chemical related of activities.

<b>Capital Structure as on date of this Draft Red Herring Prospectus</b>	<b>Sr. No.</b>	<b>Name of Share Holders</b>	<b>No of Shares</b>	<b>% of Holding</b>
	1.	Vital Chemtech Limited	148500	99.00
	2.	Vipul Bhatt	1500	1.00
		<b>Total</b>	<b>1,50,000</b>	<b>100</b>
<b>Share Holding of our Company</b>	As on date of this Draft Red Herring Prospectus our company is holding 99.00% equity shares of Vital Synthesis Private Limited.			
<b>Amount of Accumulated profit or losses of the Subsidiary (ies) not accounted for by our company.</b>	The company is incorporated on April 26, 2022 hence information with regards to accumulated profit or losses is not available, as on the date of this Draft Red Herring Prospectus.			

#### **INJUNCTION AND RESTRAINING ORDER**

Our company is not under any injunction or restraining order, as on date of filing of this Draft Red Herring Prospectus.

#### **MANAGERIAL COMPETENCE**

For managerial Competence, please refer to the section “*Our Management*” on Page no. 134 of this Draft Red Herring Prospectus.

#### **MATERIAL ACQUISITIONS / AMALGAMATIONS / MERGERS/ REVALUATION OF ASSETS/DIVESTMENT OF BUSINESS/UNDERTAKING IN LAST TEN YEARS**

There has been no Material Acquisitions/Amalgamations/Mergers/Revaluation of Assets/Divestment of Business/Undertaking in last ten years.

#### **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Draft Red Herring Prospectus, the total numbers of equity shareholders are 7 (Seven). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” at page no. 57 of this Draft Red Herring Prospectus.

#### **MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The objects for which our Company is established are:

*“To manufacture, produce, refine, process, formulate, mix, enrich, mine, import, export, acquire, invent, buy, sell, exchange, distribute and otherwise trade and deal in all kinds of mixtures, formulations, intermediates, derivatives, compounds, phosphorous based chemicals, fine chemicals, heavy chemicals, valence, inorganic and organic chemicals, source materials, intermediates, ingredients, mixtures, derivatives and compounds thereof and to carry on the business of chemical merchants, agents, distributors, suppliers in any or more of the above objects.”*

#### **SHAREHOLDERS’ AGREEMENTS**

Our Company has not entered into any shareholders agreement as on the date of filing this Draft Red Herring Prospectus.

#### **OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered as on the date of this Draft Red Herring Prospectus.

#### **JOINT VENTURE AGREEMENTS**

Our Company has not entered into any joint venture agreement as on the date of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement as on the date of this Draft Red Herring Prospectus.

#### **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Draft Red herring Prospectus.

#### **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

## KEY INDUSTRY REGULATIONS

*The following description is a summary of the relevant regulations and policies as prescribed by the GOI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government Approvals” on page 174 of this Draft Red Herring Prospectus.*

### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### SEBI REGULATIONS

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST

#### Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

### BUSINESS / TRADE RELATED LAWS / REGULATIONS

### **Manufacture, Storage and Import of Hazardous Chemical (Amendment) Rules, 1989**

The regulation was firstly enacted in 1989 by the Ministry of Environment & Forests (MoEF) and later amended in 1994 and 2000. It regulates the manufacture, storage and import of **hazardous chemicals** in India. The transport of hazardous chemicals must meet the provisions of the Motor Vehicles Act, 1988.

"**Hazardous Chemicals**" includes 3 schedules. Regulatory requirements are different for each schedule.

- (i) any chemical which satisfies any of the criteria laid down in Part I of Schedule 1 or listed in Part II of this **Schedule 1** ;
- (ii) any chemical listed in Column 2 of **Schedule 2**;
- (iii) any chemical listed in Column 2 of **Schedule 3**;

For hazardous chemicals covered in schedule 1, site owners must meet the following obligations:

- identify hazards associated with industrial activity and take adequate steps for prevention and control
- provide relevant information to persons liable to be affected by a major accident
- notify the concerned authorities within 48 hours of the occurrence of a major accident
- provide safety data sheets and label every container of hazardous chemicals.

### **The Explosives Act, 1884 (the “Explosives Act”) and the Explosives Rules, 2008 (the “Explosive Rules”)**

The Explosives Act is a comprehensive law which regulates by licensing for the manufacturing possession, sale, transportation, export and import of explosives. As per the definition of ‘explosives’ under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

### **The Essential Commodities Act, 1955 (the “ECA”)**

The ECA empowers the Central Government, to control production, supply and distribution of, trade and commerce in certain essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defense of India or the efficient conduct of military operations. Using the powers under it, various ministries/departments of the Central Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food grains, edible oils, pulses kerosene, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

### **The Poisons Act, 1919 (“Poisons Act”)**

The Poisons Act enables state governments to grant licenses for the possession, sale, wholesale or retail and fixing of the fee, if any, of poisons. The Poisons Act also enables state governments to regulate the classes of persons to whom such license may be granted, the maximum quantity of poison which may be permitted to be sold to any one person etc.

### **The Petroleum Act, 1934 (“Petroleum Act”) and Petroleum Rules, 2002**

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Under the Petroleum Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

### **The Solvent Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000 (the “Solvent Order”)**

The Solvent Raffinate and Slop (Acquisition, Sale, Storage and Prevention of Use in Automobiles) Order, 2000 (the “Solvent Order”) has been issued under the ECA and provides that no person shall either acquire, store or sell solvents, raffinates and slops or their equivalent, without a license, issued by the State Government or the district magistrate or any other officer authorized by the Central Government or the State Government.

### **Bureau of Indian Standards Act, 2016 (the “BIS Act”):**

BIS Act was notified on March 22, 2016 and came into effect from October 12, 2017. The BIS Act establishes the Bureau of Indian Standards (BIS) as the National Standards Body of India. It has broadened BIS's ambit and allows Central Government to make it mandatory for certain notified goods, articles, processes etc. to carry standard mark.

#### **The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the "DMRA")**

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

#### **Drugs and Cosmetics Act, 1940 ("DCA") and the Drugs and Cosmetics Rules, 1945 ("DCA Rules")**

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

#### **Drugs (Control) Act, 1950 ("Drugs Act")**

The Drugs Act provides for control of sale, supply and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government by notification to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

#### **Drugs (Prices Control) Order, 2013 ("DPCO")**

The DPCO prescribes inter alia the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. Under the DPCO, the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs or formulations to increase production and sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency. The DPCO specifies procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, and penalties for contravention of its provisions.

#### **Drugs (Prices Control) Order 1995**

The Drugs (Prices Control) Order 1995 or DPCO was promulgated under the Essential Commodities Act, 1955 and is to be read with the Drugs and Cosmetics Act, 1940. The DPCO fixes the ceiling price of some active pharmaceuticals and formulations. The active pharmaceuticals and formulations which fall within the purview of the legislation are called scheduled drugs and scheduled formulations, respectively.

The authority set up under the legislation is the National Pharmaceutical Pricing Authority, or NPPA, is responsible for the collection of data and the study of the pricing structure of active pharmaceuticals and formulations. Upon the recommendation of the NPPA, the Ministry of Chemicals and Fertilizers fixes the ceiling prices of the active pharmaceuticals and formulations and issues notifications on drugs which are scheduled drugs and scheduled formulations.

The NPPA arrives at the recommended prices for the scheduled drugs and formulations after collection and analysis of data on costing which includes data on raw material composition, packing materials, process losses, overhead allocation and apportionment, capacity utilization, technical data on manufacturing work orders and packing work orders.

The government of India has the power under the DPCO to recover the charges charged in excess of the notified price from the company. There are also penal provisions for the violation of any rules and regulations under the Essential Commodities Act. Presently, there are 76 scheduled drugs and formulations under the DPCO.

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

The Public Liability Insurance Act ("PIL Act") was constituted to provide for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. The PIL Act provides for the owner before handling hazardous substances to take insurance cover for protection against claims made by third parties for damages with respect to handling of hazardous substances. Under the PIL Act, the victims exposed to hazardous substances may file claims before the Collector within 5 years of the accident. The Collector, shall, after giving notice of the application to the owner and after giving the parties an opportunity of being heard, hold an inquiry into the claim or, each of the claims, and may make an award determining the amount of relief which appears to him to be just and specifying the person or persons to whom such

amount of relief shall be paid. The PIL Act also provides for the establishment of Environmental Relief Fund to be utilized for payment of reliefs under the award.

## **ENVIRONMENT LAWS:**

### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to 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 National Environmental Policy:—

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

### **Environmental Legislations**

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.

### **The Noise Pollution (Regulation and Control) Rules, 2000**

These Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”) were constituted to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise and were considered necessary as increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and psychological well-being of the people. The Noise Pollution Rules provide ambient air quality criteria with respect of noise for different areas/zones. The Noise Pollution Rules further provide powers to the authority to enforce the noise control measures in the areas/zones. The Noise Pollution Rules provide modes of making complaints to the authority in case noise levels exceed the ambient noise standards along with penalties and liabilities on account of violations in the silence zones/areas.

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

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

#### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

### **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

#### **The Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP Offers an updated circular.

The Reserve Bank of India (“RBI”) also offers Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may Offer fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh Offer of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh Offer of shares would be subject to the reporting requirements, inter-alia with respect to consideration for Offer of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

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

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services. 100 % FDI is permitted in under the automatic route in the IT sector.

#### **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.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

### **RoDTEP Scheme:**

RoDTEP stands for Remission of Duties and Taxes on Export Products. It is a new scheme that is applicable with effect from January 1st, 2021, formed to replace the existing MEIS (Merchandise Exports from India Scheme). The scheme will ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable. The scheme was brought about with the intention to boost exports which were relatively poor in volume previously. Mandi tax, VAT, Coal cess, Central Excise duty on fuel etc. will now be refunded under this particular scheme. All the items under the MEIS and the RoSTCL (Rebate of State and Central Taxes and Levies) are now under the purview of the RoDTEP Scheme.

## **OTHER GENERAL RULES AND REGULATIONS:**

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Sale of Goods Act, 1930 (Sale of Goods Act)**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **Information Technology Act, 2000 and Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011**

This act governs and provides legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as —electronic commerce. It also gives legal recognition to Digital Signatures and facilitates storage of data. The Act is applicable to any offence or contravention committed outside India as well. If the conduct of person constituting the offence involves a computer or a computerized system or network located in India, then irrespective of his/her nationality, the person is punishable under the Act.

### **The Boilers Act, 1923 (“Boilers Act”)**

The Boilers Act and rules thereof encompass rules and regulations for the safe and proper construction, erection, repair, use and operation of boilers. The Boilers Act also lays down the process for formulation of boiler rules, examination by and appointment of boiler inspectors, provisions for inspection certifications and imposition of penalties for the violations of any provisions of the Boilers Act.

### **The Arbitration & Conciliation Act, 1996**

The Arbitration and Conciliation Act, 1996 is an act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### **The Code of Criminal Procedure Code, 1973**

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1st April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behavior. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

### **The Code of Civil Procedure, 1908**

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### **Prevention of Money Laundering Act, 2002**

Money laundering is the processing of criminal proceeds to disguise its illegal origin. Terrorism, illegal arms sales, financial crimes, smuggling, and the activities of organized crime, including drug trafficking and prostitution rings, generate huge sums. Embezzlement, insider trading, bribery and computer fraud also produce large profits and create an incentive to legitimize the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved in such activities route the funds to safe heavens by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

Most fundamentally, money laundering is inextricably linked to the underlying criminal activity that generates it. In essence, the laundering enables criminal activity to continue.

### **State Laws**

We operate in the state of Gujarat. Accordingly, legislations passed by the state governments are applicable to us in the state of our operation. These include legislations relating to, among others, Shop and Establishment Act, classification of fire prevention and safety measures and legislations dealing with license for industry of our operations and like. Further, we

require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Shops and Establishments legislations in various states**

Under the provisions of local shops and establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of, among others, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

### **The Legal Metrology Act, 2009**

Legal Metrology Act, 2009 was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, with effect from March 1, 2011.

### **Motor Vehicles Act, 1988**

The Motor Vehicles Act, 1988 (“MV Act”) was enacted to regulate motor vehicles in India. It provides detailed provision on licensing of the drivers and conductors, registration of motor vehicles, the provision on controlling their permits, traffic regulation, related insurance, liabilities, and penalties. Apart from the same, it also prescribes rules for the construction, equipment, and maintenance of motor vehicles.

### **Intellectual Property Laws**

The Patents Act, 1970 (Patent Act) protects innovations in terms of machinery, development and improvement of existing formulae for manufacturing of various kinds of goods, materials and like. The Trade Marks Act, 1999 (“Trade Marks Act”) provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

### **Registration Act, 1908**

The Registration Act, 1908 (“Registration Act”) was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### **Negotiable Instruments Act, 1881 (“NI Act”)**

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid.

### **Consumer Protection Act, 2019**

Few of the provisions of The Consumer Protection Act, 2019 (“COPRA”) have been notified vide notification No. S.O. 2421(E), dated 23rd July 2020 thus repealing the respective provisions of Consumer Protection Act, 1986. However the

provisions of Consumer Protection Act, 1986, are still valid to the extent COPRA being not notified. The Consumer Protection Act provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA also provides for mediation cells for early settlement of the disputes between the parties.

#### **Prevention of Black Marketing and Maintenance of Supplies Act, 1980**

The “Prevention of Black Marketing and Maintenance of Supplies Act” came in 1980. It is an "Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith".

### **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

### **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

#### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

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

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

#### **The Industrial Relations Code, 2020 (“Industrial Code”)**

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the "ESIC Act")**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

### **The Factories Act, 1948**

The Act is constituted to regulate labor employed in factories and makes provisions for the safety, health, and welfare of the workers. An occupier of a factory under the Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Act also requires inter alia the maintenance of various registers dealing with safety, labor standards, holidays, and extent of child labor including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

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

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 ("MWA Rules")
- Industrial (Development and Regulation) Act, 1951 ("IDRA")
- Industrial Disputes Act, 1947 ("ID Act")
- Payment of Bonus Act, 1965 ("POB Act")
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act")
- Equal Remuneration Act, 1976 ("ER Act")
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 ("WCA")
- Maternity Benefit Act, 1961 ("Maternity Act")
- Industrial Employment Standing Orders Act, 1946

### **Other regulations:**

In addition to the above, the Company is required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.

## OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. Our Company currently has 5 (Five) directors on our Board, out of which 3 (Three) are Executive Directors, 2 (Two) are Independent Directors.

1. Mr. Vipul Jatashanker Bhatt - Chairman and Managing Director
2. Mr. Jay Vipul Bhatt - Whole Time Director
3. Mrs. Sangeeta Vipul Bhatt - Whole Time Director
4. Mr. Deepakkumar Kushalchandra Chaubisa - Independent Director
5. Mr. Hetalkumar Jayantilal Shah - Independent Director

The Following table sets forth details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus:

<b>Mr. Vipul Jatashanker Bhatt</b>	
Father's Name	Mr. Jatashanker Ambalal Bhatt
DIN	06716658
Date of Birth	November 5, 1971
Age	50 Years
Designation	Chairman and Managing Director
Status	Executive
Qualification	Diploma in Chemical Engineering from Government Engineering College, Bharuch
No. of Years of Experience	28 Years
Address	15, Sector-9, Kalhaar Bungalows, Nandoli, Rancharada, Gandhinagar- 382115, Gujarat.
Occupation	Business
Nationality	Indian
Date of Appointment	He was Designated Partner of Vital Chemtech Limited Liability Partnership since February 12, 2015 after that he was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Managing Director for a period of five (5) years w.e.f. February 15, 2022 and he was appointed as Chairman w.e.f. June 28, 2022.
Term of Appointment and date of expiration of current term of office.	Holds office for the period of 5 (Five) years w.e.f. February 15, 2022 liable to retire by rotation.
Other Directorships	Vital Alkoxides Private Limited Vital Wellness Private Limited Vital Synthesis Private Limited

<b>Mr. Jay Vipul Bhatt</b>	
Father's Name	Mr. Vipul Jatashanker Bhatt
DIN	09363173
Date of Birth	November 26, 1995
Age	26 years
Designation	Whole Time Director
Status	Executive
Qualification	Master of Science with Merit in Management from Queen Mary University of London and Bachelor of Chemical Engineering from Gujarat Technological University
No. of Years of Experience	More than four years of experience in Business Development and Marketing
Address	15, Sector-9, Kalhaar Bungalows, Nandoli, Rancharada, Gandhinagar- 382115, Gujarat.

Occupation	Business
Nationality	Indian
Date of Appointment	He was Designated Partner of Vital Chemtech Limited Liability Partnership since October 18, 2021 after that he was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Whole Time Director for a period of five (5) years w.e.f. February 15, 2022.
Term of Appointment and date of expiration of current term of office.	Holds office for a period of 5 (Five) years w.e.f. February 15, 2022 liable to retire by rotation.
Other Directorships	Vital Alkoxides Private Limited Vital Wellness Private Limited Valentia Synthesis Private Limited Vital Synthesis Private Limited

<b>Mrs. Sangeeta Vipul Bhatt</b>	
Father's Name	Mr. Harsshadrai Pranlal Trivedi
DIN	06716704
Date of Birth	September 6, 1971
Age	50 Years
Designation	Whole Time Director
Status	Executive
Qualification	Bachelor of Commerce from Osmania University, Hyderabad
No. of Years of Experience	More than Five years of experience in administration of our Company
Address	15, Sector-9, Kalhaar Bungalows, Nandoli, Rancharada, Gandhinagar- 382115, Gujarat.
Occupation	Business
Nationality	Indian
Date of Appointment	She was Designated Partner of Vital Chemtech Limited Liability Partnership since February 12, 2015 after that she was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter she was appointed as Whole Time Director for a period of five (5) years w.e.f. February 15, 2022.
Term of Appointment and date of expiration of current term of office.	Holds office for a period of 5 (Five) years w.e.f. February 15, 2022 liable to retire by rotation.
Other Directorships	Vital Alkoxides Private Limited Vital Wellness Private Limited Vital Synthesis Private Limited

<b>Mr. Deepakkumar Kushalchandra Chaubisa</b>	
Father's Name	Kaushalchandra Bhagirathj Chaubisa
DIN	09629889
Date of Birth	January 12, 1990
Age	32 years
Designation	Independent Director
Status	Non-Executive
Qualification	He holds the degree of Company Secretary from the Institute of Company Secretaries of India.
No. of Years of Experience	He is having more than 5 years of experience in the field of Secretarial and Compliance related activities.
Address	03, Kumbhnath Mahadev Chawl, Near- Kumbhnath Mahadev, Asarva, Ahmedabad-380016.

<b>Mr. Deepakkumar Kushalchandra Chaubisa</b>	
Occupation	Employee
Nationality	Indian
Date of Appointment	He has been appointed as an Additional Non Executive Independent Director of the Company w.e.f. June 03, 2022 to hold office till the conclusion of the next Annual General Meeting
Term of Appointment and date of expiration of current term of office.	To hold office till the conclusion of the next Annual General Meeting
Other Directorships	-

<b>Mr. Hetalkumar Jayantilal Shah</b>	
Father's Name	Jayantilal Ambalal Shah
DIN	07457701
Date of Birth	June 11, 1969
Age	53 years
Designation	Independent Director
Status	Non-Executive
Qualification	He holds the degree of Chartered Accountant from the Institute of Chartered Accountants of India.
No. of Years of Experience	He is having more than 10 years of experience in the field of Auditing, Finance, Taxation etc.
Address	73-A, Mansi Society, B/h Sardar Patel School, Maninager, Ahmedabad-380008
Occupation	Self-Employed
Nationality	Indian
Date of Appointment	He has been appointed as an Additional Non Executive Independent Director of the Company w.e.f. June 03, 2022 to hold office till the conclusion of the next Annual General Meeting
Term of Appointment and date of expiration of current term of office.	To hold office till the conclusion of the next Annual General Meeting
Other Directorships	-

As on the date of the Draft Red Herring Prospectus

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers
- B. None of the Promoter, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoter, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control 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.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Red Herring Prospectus.
- E. None of Promoter or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

## **RELATIONSHIP BETWEEN THE DIRECTORS**

There is no relationship between any of the Directors of our Company except the following relationship: -

Name of Director	Designation	Relation
Mr. Vipul Jatashanker Bhatt	Chairman and Managing Director	He is Spouse of Mrs. Sangeeta Vipul Bhatt and Father of Mr. Jay Vipul Bhatt.
Mr. Jay Vipul Bhatt	Whole Time Director	He is Son of Mr. Vipul Jatashanker Bhatt and Mrs. Sangeeta Vipul Bhatt.
Mrs. Sangeeta Vipul Bhatt	Whole Time Director	She is Spouse of Mr. Vipul Jatashanker Bhatt and Mother of Mr. Jay Vipul Bhatt.

### ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Directors was selected as director or member of senior management.

### SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed, however their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

### BORROWING POWERS OF THE BOARD OF DIRECTORS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on February 20, 2022 and pursuant to provisions of Section 180(1)I and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹300 Crores (Rupees Three Hundred Crores only).

### BRIEF PROFILE OF OUR DIRECTORS

#### Mr. Vipul Jatashanker Bhatt

Mr. Vipul Jatashanker Bhatt aged 50 years is Promoter-Chairman and Managing Director of the Company, He was Designated Partner of Vital Chemtech Limited Liability Partnership since February 12, 2015 after that he was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Managing Director for a period of five (5) years w.e.f. February 15, 2022 and he was appointed as Chairman w.e.f. June 28, 2022. He is Diploma in Chemical Engineering from Government Engineering College, Bharuch. He is having about 28 years of experience in the chemical manufacturing and trading industry.

#### Mr. Jay Vipul Bhatt

Mr. Jay Vipul Bhatt aged 26 years is Whole Time Director of the Company. He was Designated Partner of Vital Chemtech Limited Liability Partnership since October 18, 2021 after that he was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Whole Time Director for a period of five (5) years w.e.f. February 15, 2022 liable to retire by rotation. He Holds Degree of Bachelor of Chemical Engineering from Gujarat Technological University. He is having more than four years of experience in the Business Development and Marketing.

#### Mrs. Sangeeta Vipul Bhatt

Mrs. Sangeeta Vipul Bhatt aged 50 years is Whole Time Director of the Company. She was Designated Partner of Vital Chemtech Limited Liability Partnership since February 12, 2015 after that she was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Whole Time Director for a period of five (5) years w.e.f. February 15, 2022 liable

to retire by rotation. She holds degree of Bachelor of Commerce from Osmania University, Hyderabad. She is having more than five years of experience in the Administration of our Company.

**Mr. Deepakkumar Kushalchandrara Chaubisa**

Mr. Deepakkumar Kushalchandrara Chaubisa aged 32 years is an Independent Director of the Company. He has been appointed as an Additional Non Executive Independent Director of the Company w.e.f. June 03, 2022 to hold office till the conclusion of the next Annual General Meeting. He holds the degree of Company Secretary from the Institute of Company Secretaries of India. He is having more than 5 years of experience in the field of Secretarial and Compliance related activities.

**Mr. Hetalkumar Jayantilal Shah**

Mr. Hetalkumar Jayantilal Shah aged 53 years is an Independent Director of the Company. He has been appointed as an Additional Non Executive Independent Director of the Company w.e.f. June 03, 2022 to hold office till the conclusion of the next Annual General Meeting. He holds the degree of Chartered Accountant from the Institute of Chartered Accountants of India. He is having more than 10 years of experience in the field of Auditing, Finance, and Taxation etc.

**COMPENSATION AND BENEFITS TO THE CHAIRMAN AND MANAGING DIRECTOR AND WHOLE TIME DIRECTORS ARE AS FOLLOWS: -**

Name	Mr. Vipul Jatashanker Bhatt	Mr. Jay Vipul Bhatt	Mrs. Sangeeta Vipul Bhatt
<b>Designation</b>	Chairman and Managing Director	Whole Time Director	Whole Time Director
<b>Date of Appointment/ Change in Designation</b>	He was Designated Partner of Vital Chemtech Limited Liability Partnership since February 12, 2015 after that he was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Chairman and Managing Director for a period of five (5) years w.e.f. February 15, 2022.	He was Designated Partner of Vital Chemtech Limited Liability Partnership since October 18, 2021 after that he was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Whole Time Director for a period of five (5) years w.e.f. February 15, 2022.	She was Designated Partner of Vital Chemtech Limited Liability Partnership since February 12, 2015 after that she was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Whole Time Director for a period of five (5) years w.e.f. February 15, 2022
<b>Period</b>	5 (Five) years w.e.f. February 15, 2022 and liable to retire by rotation.	5 (Five) years w.e.f. February 15, 2022 and liable to retire by rotation.	5 (Five) years w.e.f. February 15, 2022 and liable to retire by rotation.
<b>Salary</b>	Up to ₹ 26,00,000 Per Month.	Up to ₹ 20,00,000 Per Month.	Upto ₹ 15,00,000/- per month including perquisites.
<b>Bonus</b>	-	-	-
<b>Perquisite/Benefits</b>	-	-	-
<b>Commission:</b>	-	-	-
<b>Compensation/ remuneration paid during the F.Y. 2021-22</b>	28.00 Lakhs	20.00 Lakhs	12.00 Lakhs

**SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS**

Till date, our Company has not paid any sitting fees to any of the Non-Executive Directors for attending any of the Board or Committee Meetings. Further, The Board of Directors is into discussion to approve and pay sitting fees to Non-Executive Directors for attending any of the Board or Committee Meetings.

**SHAREHOLDING OF DIRECTORS**

The shareholding of our directors as on the date of this Draft Red Herring Prospectus are as follows:

Sr. No.	Name of Directors	No. Equity Shares held	Designation
1.	Mr. Vipul Jatashanker Bhatt	13162500	Chairman and Managing Director
2.	Mr. Jay Vipul Bhatt	300	Whole Time Director
3.	Mrs. Sangeeta Vipul Bhatt	4387500	Whole Time Director

### INTEREST OF DIRECTORS

All the non-executive directors of the company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company and also payment of interest on unsecured loan and lease rent.

Except as stated under “Annexure –J(ii) -Restated Related Party Transactions” under Chapter titled “Restated Financial Information” beginning on page 160 of the Draft Red Herring Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which our directors are interested directly or indirectly.

### CHANGES IN THE BOARD OF DIRECTORS SINCE THE DATE OF INCORPORATION OF OUR COMPANY

Name of Director	Date of Event	Nature of Event	Reason for the changes in the board
Mr. Vipul Jatashanker Bhatt	February 15, 2022	Change in Designation	He has been appointed as Managing Director of the Company.
Mr. Jay Vipul Bhatt	February 15, 2022	Change in Designation	He has been appointed as Whole Time Director of the Company.
Mrs. Sangeeta Vipul Bhatt	February 15, 2022	Change in Designation	She has been appointed as Whole Time Director of the Company.
Mr. Deepakkumar Kushalchandra Chaubisa	June 3, 2022	Appointment	He has been appointed as an Additional Non-Executive Director of the company.
Mr. Hetalkumar Jayantilal Shah	June 3, 2022	Appointment	He has been appointed as an Additional Non-Executive Director of the company.
Mr. Vipul Jatashanker Bhatt	June 28, 2022	Appointment	He has been appointed as Chairman to the Board.

### CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavours to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### Composition of Board of Directors

Currently our Board is consisting of 5 (Five) directors out of which 3(Three) are Executive Directors, 2 (Two) are Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No.	Name of Directors	Designation	Status	DIN
1.	Mr. Vipul Jatashanker Bhatt	Chairman and Managing Director	Executive	06716658
2.	Mr. Jay Vipul Bhatt	Whole Time Director	Executive	09363173
3.	Mrs. Sangeeta Vipul Bhatt	Whole Time Director	Executive	06716704
4.	Mr. Deepakkumar Kushalchandra Chaubisa	Independent Director	Non-Executive	09629889
5.	Mr. Hetalkumar Jayantilal Shah	Independent Director	Non-Executive	07457701

### **Constitution of Committees**

Our company has constituted the following Committees of the Board;

- 1. Audit Committee**
- 2. Stakeholders Relationship Committee**
- 3. Nomination and Remuneration Committee**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder:

#### **1. Audit Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on June 20, 2022 constituted Audit Committee.

The constitution of the Audit Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Hetalkumar Jayantilal Shah	Non-Executive Independent Director	Chairperson
Mr. Deepakkumar Chaubisa	Non-Executive Independent Director	Member
Mr. Vipul Jatashanker Bhatt	Chairman Cum Managing Director	Member

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

Terms of Reference

The Role of Audit Committee not limited to but includes: -

- i.** The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the Statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- ii.** Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- iii.** Examination of financial statement and auditors' report thereon including interim financial results before submission to the Board of Directors for approval particularly with respect to;
  - a.** matters required to be included in the direc'or's responsibility statement to be included in the bo'rd's report in terms of claul(c) of sub-section (3) of Section 134 of the Companies Act, 2013
  - b.** Changes, if any, in accounting policies and practices and reasons for the same,
  - c.** Major accounting entries involving estimates based on the exercise of judgment by management,
  - d.** Significant adjustments made in the financial statements arising out of audit findings,
  - e.** Compliance with listing and other legal requirements relating to financial statements,
  - f.** Disclosure of any related party transactions,
  - g.** Qualifications in the draft audit report.
- iv.** Approval or any subsequent modification of transactions of the Company with related party;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;

Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;

- v. Reviewing, with the management, and monitoring the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter ;
- vi. Scrutiny of Inter-corporate loans and investments ;
- vii. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- viii. Reviewing and discussing 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;
- ix. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- x. Valuation of undertakings or assets of the company, where ever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems and reviewing with the management, performance of statutory & internal auditors, and adequacy of the internal control systems;
- xii. 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 and discussion with internal auditors of any significant findings and follow up there on;
- xiii. 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;
- xiv.** approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- xv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xvi. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
- xvii. Carrying out any other function as assigned by the Board of Directors & other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

#### **Review of Information**

- i.** Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- ii.** Management letters / letters of internal control weaknesses issued by the statutory auditors
- iii.** Internal audit reports relating to internal control weaknesses;
- iv.** The appointment, removal and terms of remuneration of the Internal Auditor
- v.** Quarterly/half yearly statement of deviation(s), if applicable, submission to stock exchange(s) in terms of regulation 32(1)
- vi.** Annual statement of funds utilized for purpose other than those stated in the offer document/ prospectus.

#### **Powers of Committee**

- i.** To investigate any activity within its terms of reference;

- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **Quorum and Meetings**

The audit committee shall meet as often as necessary subject to minimum 4 times in financial years. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

#### **2. Stakeholders Relationship Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on June 20, 2022 constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Mr. Hetalkumar Jayantilal Shah	Non-Executive Independent Director	Chairperson
Mr. Deepakkumar Chaubisa	Non-Executive Independent Director	Member
Mr. Vipul Jatashanker Bhatt	Chairman Cum Managing Director	Member

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

#### **Terms of Reference**

To supervise and ensure;

- a. Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- b. Review of measures taken for effective exercise of voting rights by shareholders;
- c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- e. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

#### **Quorum and Meetings**

The Stakeholders Relationship Committee shall meet at least once in financial year. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

#### **3. Nomination and Remuneration Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on June 20, 2022 constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Nature of Directorship</b>
Mr. Hetalkumar Jayantilal Shah	Non-Executive Independent Director	Chairperson
Mr. Deepakkumar Chaubisa	Non-Executive Independent Director	Member
Mr. Vipul Jatashanker Bhatt	Chairman Cum Managing Director	Member

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

Terms of reference

Role of Nomination and Remuneration Committee not limited to but includes: -

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

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

- 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.

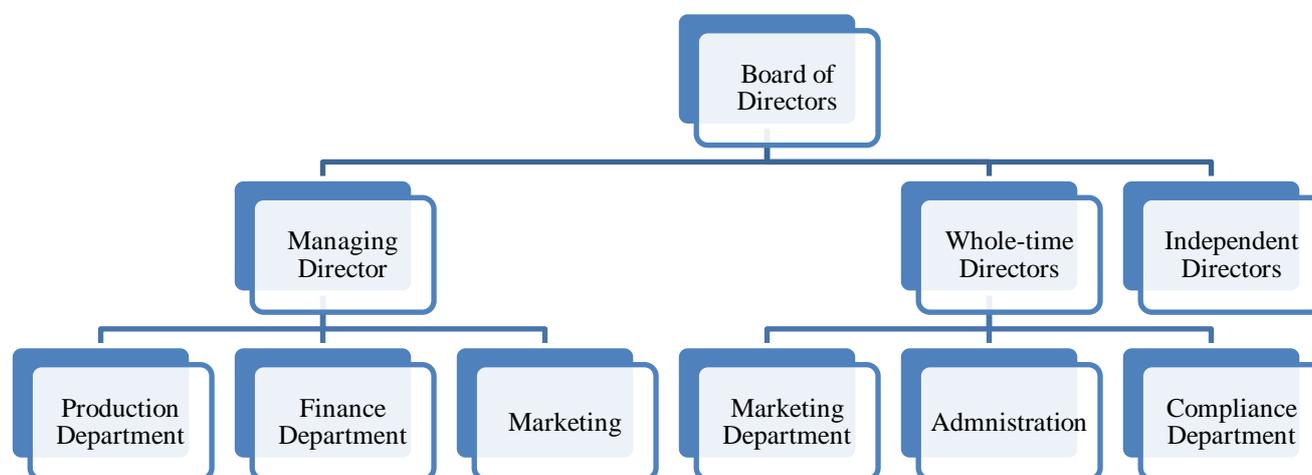
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance;
- v. recommend to the board, all remuneration, in whatever form, payable to senior management;
- vi. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

### Quorum and Meetings

The Committee is required to meet at least once in year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

### MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart:



### OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows: -

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2021-22 (₹ in Lakhs)
Name	Ms. Ketki Ajay Oza	Chartered Accountant	FM PBW Bearings Private Limited	-
Designation	Chief Financial Officer			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2021-22) (₹ in Lakhs)
Date of Appointment	June 03, 2022			
Overall Experience	She is having more than eight years of experience in the field of accounting, financial planning and budgeting, audit, assessment and compliances, cash flow, management and taxation.			
Name	Mrs. Puja Paras Mehta	Company Secretary and B.com, LLB (Special)	Sonu Infratech Limited	-
Designation	Company Secretary and Compliance Officer			
Date of Appointment	June 28, 2022			
Overall Experience	She has around four months Experience in the field of Secretarial and Compliance field.			

#### BONUS OR PROFIT-SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Currently, Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

#### CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel since the date of incorporation of our company, otherwise than by way of retirement in due course.

Name of Key Managerial Personnel	Date of Event	Nature of Event	Reason for the changes
Mr. Vipul Jatashanker Bhatt	February 15, 2022	Appointment	He has been appointed as Managing Director of the Company.
Mr. Jay Vipul Bhatt	February 15, 2022	Appointment	He has been appointed as Whole Time Director of the Company.
Mrs. Sangeeta Vipul Bhatt	February 15, 2022	Appointment	She has been appointed as Whole Time Director of the Company.
Ms. Ketki Ajay Oza	June 03, 2022	Appointment	She has been appointed as CFO of the Company w.e.f. June 03, 2022.
Mrs. Puja Paras Mehta	June 28, 2022	Appointment	She has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. June 28, 2022
Mr. Vipul Jatashanker Bhatt	June 28, 2022	Appointment	He has been appointed as Chairman to the Board.

#### EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Draft Red Herring Prospectus, our company does not have any ESOP Scheme for its employees.

#### RELATIONSHIP BETWEEN KEY MANAGEMENT PERSONNEL

Name of KMP	Designation	Relation
Mr. Vipul Jatashanker Bhatt	Chairman and Managing Director	He is Spouse of Mrs. Sangeeta Vipul Bhatt and Father of Mr. Jay Vipul Bhatt.
Mr. Jay Vipul Bhatt	Whole Time Director	He is Son of Mr. Vipul Jatashanker Bhatt and Mrs. Sangeeta Vipul Bhatt.
Mrs. Sangeeta Vipul Bhatt	Whole Time Director	She is Spouse of Mr. Vipul Jatashanker Bhatt and Mother of Mr. Jay Vipul Bhatt.

#### PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited.
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- None of our Key Managerial Personnel has entered into any service contracts with our no benefits are granted upon their termination from employment other that statutory benefits provided by our company and Further, our Company has appointed certain Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary and Compliance officer for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

### SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of Key Management Personnel	No. Equity Shares held	Category/ Status
1.	Mr. Vipul Jatashanker Bhatt	13162500	Executive Director
2.	Mr. Jay Vipul Bhatt	300	Executive Director
3.	Mrs. Sangeeta Vipul Bhatt	4387500	Executive Director
4.	Ms. Ketki Ajay Oza	-	Chief Financial Officer
5.	Mrs. Puja Paras Mehta	-	Company Secretary and Compliance Officer

## OUR PROMOTER AND PROMOTER GROUP

Promoter of Our Company is Mr. Vipul Jatashanker Bhatt. For details of the Capital build-up of our Promoter in our Company, see chapter titled “*Capital Structure*” beginning on page no. 57 of this Draft Red Herring Prospectus.

The details of our Promoter are as follows:

	<b>MR. VIPUL JATASHANKER BHATT</b>
	Mr. Vipul Jatashanker Bhatt aged 50 years is Promoter-Chairman and Managing Director of the Company, He was Designated Partner of Vital Chemtech Limited Liability Partnership since February 12, 2015 after that he was appointed as an Executive Director on Incorporation/Conversion of Vital Chemtech Limited Liability Partnership to Vital Chemtech Limited w.e.f. November 25, 2021. Thereafter he was appointed as Managing Director for a period of five (5) years w.e.f. February 15, 2022 and he was appointed as Chairman w.e.f. June 28, 2022. He is having about 28 years of experience in the chemical manufacturing and trading industry.
<b>Date of Birth</b>	November 05, 1971
<b>Age</b>	50
<b>PAN</b>	ACWPB8066H
<b>Educational Qualification</b>	Diploma in Chemical Engineering from Government Engineering College, Bharuch
<b>Present Residential Address</b>	15, Sector-9, Kalhar Bungalows, Nandoli, Rancharda, Gandhinagar – 382115, Gujarat, India
<b>Position/posts held in the past</b>	-
<b>Directorship held</b>	<ol style="list-style-type: none"> <li>1. Vital Alkoxides Private Limited</li> <li>2. Vital Wellness Private Limited</li> <li>3. Vital Synthesis Private Limited</li> </ol>
<b>Other Ventures</b>	<ol style="list-style-type: none"> <li>1. Vipul Jatashanker Bhatt HUF</li> <li>2. Vital Chemicals - Proprietorship</li> </ol>

### DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers, passport numbers, Aadhar card number and Driving Licence number of our Promoter are being submitted to the NSE, stock exchange on which the specified securities are proposed to be listed along with filing of this Draft Red Herring Prospectus with the Stock Exchange.

### CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS

There has been no change in control or management of the issuer in last five years.

### INTEREST OF OUR PROMOTER

- Except as stated in “*Annexure – J–(ii) - Related Party Transaction*” under section “*Restated Financial Information*” beginning from page no. 160 of this Draft Red Herring Prospectus and to the extent of compensation, remuneration/ sitting fees to be paid, Perquisites to be given, reimbursement of expenses to be made in accordance with their respective terms of appointment and to the extent of their shareholding and benefits, if any, arise on the shareholding, our Promoter do not have any other interest in our business.
- Further, our Promoter may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer “*Annexure – J–(ii) - Related Party Transaction*” under section “*Restated Financial Information*” beginning from page no. 160 of this Draft Red Herring Prospectus.
- Our Promoter, Directors or Group Companies do not have any interest in any property acquired by our Company in the preceding three years before filing this Draft Red Herring Prospectus. Further, they do not have any interest in any property to be acquired by our Company till the date of this Draft Red Herring Prospectus.
- Excepted as otherwise as stated in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding three years from the date of this Draft Red Herring Prospectus in which Promoter is directly or indirectly interested.

### PAYMENT OF BENEFITS TO OUR PROMOTER

Except as stated in the section “Annexure – J–(ii) - Related Party Transaction” under section “Restated Financial Information” beginning from page no. 160 of this Draft Red Herring Prospectus, there has been no payment of benefits made to our Promoter in the two years preceding the filing of this Draft Red Herring Prospectus. Further, our Company may enter into transaction with or make payment of benefit to the Promoter Directors or Promoter’ Group, towards remunerations as decided by Board of Director.

## CONFIRMATIONS

Our Company and Promoter confirmed that they have not been declared as willful defaulters or Fraudulent Borrowers or by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoter, Promoter group or directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoter, Promoter group or directors do not have direct or indirect relation with the companies, its Promoter and whole-time director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Also, our Promoter or directors are not a fugitive economic offender.

We and Our Promoter, Group Entities, and Companies promoted by the Promoter confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.
- The details of outstanding litigation including its nature and status are disclosed in the section title “Outstanding Litigation and Material Developments” appearing on page no. 170 of this Draft Red Herring Prospectus.

## DISASSOCIATION OF PROMOTER IN THE LAST THREE YEAR:

None of our Promoter have disassociated themselves from any Company or Firm during the preceding three years.

## RELATIONSHIP OF PROMOTER WITH EACH OTHER AND WITH OUR DIRECTORS

Except as disclosed herein, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

Name of Promoter	Name of Director	Relationship
Vipul Jatashanker Bhatt	Sangeeta Vipul Bhatt	Spouse
	Jay Vipul Bhatt	Son

## OUR PROMOTER’ GROUP

In addition to our Promoter named above, the following individuals and entities form a part of the Promoter’ Group:

### a. Natural persons who are part of our Individual Promoter Group:

Relationship with Promoter	Vipul Jatashanker Bhatt
Father	Late Jatashanker Ambalal Bhatt
Mother	Kumudben Jatashanker Bhatt
Spouse	Sangeeta Vipul Bhatt
Brother/s	Hitesh Jatashanker Bhatt
Sister/s	Chhaya Akshay Pandya
	Ketki Dilip Pandya
Son/s	Jay Vipul Bhatt
Daughter/s	Keyaa Vipul Bhatt
Spouse’s Father	Harshdrai Pranlal Trivedi
Spouse’s Mother	Ushaben Pranlal Trivedi
Spouse’s Brother/s	Kirti Harshdrai Trivedi
Spouse’s Sister/s	-

### b. Companies related to our Promoter Company: Not Applicable as our promoter is not Company.

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	Not Applicable
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	Not Applicable

**c. Companies, Proprietary concerns, HUF's related to our Promoter**

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives are a member.	<ol style="list-style-type: none"> <li>1. Vital Alkoxide Private Limited</li> <li>2. Vital Wellness Private Limited</li> <li>3. Vital Synthesis Private Limited</li> <li>4. Valentia Synthesis Private Limited</li> </ol>
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	NIL
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent.	<ol style="list-style-type: none"> <li>1. Vipul Jatashanker Bhatt – HUF</li> <li>2. Vital Chemicals</li> <li>3. Vital Dye Chem Industries</li> <li>4. Ambica Packaging Industries</li> <li>5. Jay Innovative Solutions</li> <li>6. Shakti Enterprise</li> <li>7. Neo Fine Chemicals Industries</li> </ol>

**d. Person whose shareholding is aggregated under the heading “Shareholding of the Promoter Group”**

Name of Entities / Person
Dhaval Hashmukhbhai Pandya

For further details on our Group Companies refer Chapter titled “*Information with respect to Group Companies/Entities*” beginning on page no. 180 of this Draft Red Herring Prospectus.

## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not paid / declared any dividend in since date of incorporation of company till the date of this Draft Red Herring Prospectus.

**SECTION IX – FINANCIAL STATEMENTS**

**RESTATED FINANCIAL INFORMATION**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page Nos</b>
1.	Restated Financial Information	F 1 to F 37

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**INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION**  
**(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,**  
**Vital Chemtech Limited,**  
**B-406, Mondeal Heights, Opp. Karnavati Club,**  
**S. G. Highway, Ahmedabad Gujarat 380015 India**

Dear Sir,

We have examined the attached Restated Audited Financial Information of Vital Chemtech Limited comprising the Restated Audited Statement of Assets and Liabilities as at 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021, 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020, the Restated Audited Statement of Profit & Loss and the Restated Audited Cash Flow Statement for period ended on 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021 & for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on July 13, 2022 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 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 Restated Financial Information has been prepared by the management of the Company for the period ended on 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021 and for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 on the basis of preparation stated in Annexure D to the 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 1<sup>st</sup> December 2021 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 Restated Financial Information has been compiled by the management from:

Audited financial statements of company as at and for the period ended on 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021 and for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 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 period ended on 31<sup>st</sup> March, 2022 and 24<sup>th</sup> November, 2021. Further Auditors Report issued by Bhadresh P. Soni & Co., Chartered Accountants for the financial year ended on March 31, 2021 and March 31, 2020 on September 10, 2021 and November 25, 2020 respectively.
- b. The audit was conducted by the Company's previous 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 Audited Financial Statement") examined by them for the said years.

The modification in 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 period ended on 31<sup>st</sup> March, 2022 and 24<sup>th</sup> November, 2021 & issued by Previous auditors which is giving rise to modifications on the financial statements as at and for period ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020. There is no qualification by us for the Financial Statement for the period ended on 31<sup>st</sup> March, 2022 and 24<sup>th</sup> November, 2021 & no qualification of previous auditor for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements for the period ended on 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021 and for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020:

- a) The Restated 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 Financial Information or Restated Summary 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 period ended on 31<sup>st</sup> March, 2022 and 24<sup>th</sup> November, 2021 and no qualifications in the Audit Reports issued by Bhadresh P. Soni & Co., Chartered Accountants for the financial year ended on March 31, 2021 & March 31, 2020 which would require adjustments in this Restated 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 Polices and Notes to Accounts as set out in ANNEXURE - D to this report;
- f) Adjustments in Restated Financial Information or Restated 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 Financial Information or Restated Summary Financial Statement;
- h) The Company has valued its obligations related to Gratuity as per AS -15.
- i) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement;
- j) The related party transaction for purchase & sales of Goods entered by the company are at arm's length price;
- k) 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 Statement of Assets and Liabilities” as set out in ANNEXURE – A to this report, of the Company For the period ended on 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021 and for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 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 “Restated Statement of Profit and Loss” as set out in ANNEXURE – B to this report, for the period ended on 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021 and for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c. The “Restated Statement of Cash Flow” as set out in ANNEXURE – C to this report, the period ended on 31<sup>st</sup> March, 2022, 24<sup>th</sup> November, 2021 and for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 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.

Audit for the period ended on 31<sup>st</sup> March, 2022 and stub period ended on 24<sup>th</sup> November, 2021 has conducted by us and financial year ended on March 31, 2021 & March 31, 2020 was conducted by Bhadresh P. Soni & Co., Chartered Accountants and accordingly reliance has been placed on the financial statement examined by them for the said years. Financial Reports included for said years are solely based on report submitted by them.

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 period ended on 31<sup>st</sup> March, 2022, stub period ended on 24<sup>th</sup> November, 2021 and for financial year ended on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 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 Provision	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 And Short Term Provisions	Annexure – A.7 & 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 and 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 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 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 Polices 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: 011266**

**CA Abhishek Agrawal**  
**Proprietor**  
**M. No. 132305**  
**UDIN: 22132305ANEMKV7593**

**Place: Ahmedabad**  
**Date: July 13, 2022**

**VITAL CHEMTECH LIMITED**  
(FORMALY KNOWN AS VITAL CHEMTECH LIMITED LIABILITY PARTNERSHIP)

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

(Amount in Lakhs except Units in Actual Numbers)

Sr. No.	Particulars	Note No.	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	<b>A.1</b>	672.06	672.06	597.52	303.75
	Reserves & Surplus	<b>A.2</b>	670.94	0.00	0.00	0.00
	<b>Share application money pending allotment</b>		0.00	0.00	0.00	0.00
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	<b>A.3</b>	2,012.62	1,652.07	774.70	807.29
	Other Non-Current Liabilities		0.00	0.00	0.00	0.00
	Long-Term Provisions	<b>A.4</b>	6.48	7.32	5.99	2.93
	Deferred Tax Liabilities (Net)	<b>A.11</b>	161.73	41.23	49.39	44.15
<b>3</b>	<b>Current Liabilities</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Short Term Borrowings	<b>A.5</b>	1,487.47	-15.85	231.17	146.61
	Trade Payables :	<b>A.6</b>				
	(A) total outstanding dues of micro enterprises and small enterprises; and		264.38	142.06	44.47	50.01
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]		2,477.17	3,401.87	1,143.05	854.41
	Other Current Liabilities	<b>A.7</b>	15.09	97.73	28.15	24.42
	Short Term Provisions	<b>A.8</b>	325.78	410.41	166.90	85.05
	<b>Total</b>		<b>8,093.71</b>	<b>6,408.90</b>	<b>3,041.34</b>	<b>2,318.61</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>	1,706.21	893.02	796.98	588.77
	Intangible Assets					
	Non-Current Investments	<b>A.10</b>	880.35	1,289.29	447.77	276.65
	Deferred Tax Assets		0.00	0.00	0.00	0.00
	Long Term Loans & Advances	<b>A.12</b>	18.10	12.21	11.99	11.99
	Other Non Current Assets	<b>A.13</b>	5.68	0.00	0.00	0.00
<b>2</b>	<b>Current Assets</b>					
	Current Investments		0.00	0.00	0.00	0.00
	Inventories	<b>A.14</b>	905.47	510.94	220.90	138.22
	Trade Receivables	<b>A.15</b>	4,173.00	2,716.87	1,364.51	1,139.23
	Cash and Cash Equivalents	<b>A.16</b>	39.14	23.17	103.18	3.59
	Short-Term Loans and Advances	<b>A.17</b>	7.23	129.57	2.44	67.17
	Other Current Assets	<b>A.18</b>	358.54	833.83	93.58	92.99
	<b>Total</b>		<b>8,093.71</b>	<b>6,408.90</b>	<b>3,041.34</b>	<b>2,318.61</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  
Vital Chemtech Limited

Vipul Bhatt  
Chairman and Managing Director  
DIN : 06716658

Sangeeta Bhatt  
Whole-time Director  
DIN : 06716704

CA ABHISHEK AGARWAL  
Proprietor

Kekti Oza  
Chief Financial Officer

Puja Paras Mehta  
Company Secretary &  
Compliance Officer

M. No. 132305  
UDIN : 22132305ANEMKV7593  
Date : July 13, 2022  
Place : Ahmedabad

**VITAL CHEMTECH LIMITED**  
(FORMALY KNOWN AS VITAL CHEMTECH LIMITED LIABILITY PARTNERSHIP )

**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, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	5,761.46	8,558.80	4,739.65	4,115.98
	Other income	<b>B.2</b>	25.51	45.47	28.81	45.26
	<b>Total revenue</b>		<b>5,786.96</b>	<b>8,604.27</b>	<b>4,768.46</b>	<b>4,161.24</b>
<b>B.</b>	<b>Expenses:</b>					
	Cost of Material Consumed	<b>B.3</b>	3,810.62	3,737.74	3,115.39	2,882.89
	Change in Inventories of WIP, Finished Goods & Stock in Trade	<b>B.4</b>	-33.61	-187.97	27.59	-28.25
	Employees Benefit Expenses	<b>B.5</b>	122.77	929.59	279.32	194.83
	Finance costs	<b>B.6</b>	38.31	82.24	110.33	139.30
	Depreciation and Amortization	<b>B.7</b>	57.57	78.71	91.88	88.97
	Other expenses	<b>B.8</b>	713.32	2,767.10	673.15	648.99
	<b>Total Expenses</b>		<b>4,708.97</b>	<b>7,407.42</b>	<b>4,297.67</b>	<b>3,926.72</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>1,077.99</b>	<b>1,196.85</b>	<b>470.79</b>	<b>234.52</b>
	Exceptional Items		0.00	0.00	0.00	0.00
	<b>Profit before extraordinary items and tax</b>		<b>1,077.99</b>	<b>1,196.85</b>	<b>470.79</b>	<b>234.52</b>
	Extraordinary items		0.00	0.00	0.00	0.00
	<b>Profit before tax</b>		<b>1,077.99</b>	<b>1,196.85</b>	<b>470.79</b>	<b>234.52</b>
	<b>Tax expense :</b>					
	Current tax		286.55	420.51	171.77	84.99
	Deferred Tax	<b>B.9</b>	120.50	-8.16	5.24	44.15
	Profit (Loss) for the period from continuing operations		<b>670.94</b>	<b>784.50</b>	<b>293.78</b>	<b>105.38</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		5.99	7.00	2.62	0.94
	(2) Diluted		5.99	7.00	2.62	0.94

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

For & On behalf of Board of Directors  
Vital Chemtech Limited

Vipul Bhatt  
Chairman and Managing Director  
DIN : 06716658

Sangeeta Bhatt  
Whole-time Director  
DIN : 06716704

CA ABHISHEK AGARWAL  
Proprietor

Kekti Oza  
Chief Financial Officer

Puja Paras Mehta  
Company Secretary & Compliance Officer

M. No. 132305  
UDIN : 22132305ANEMKV7593  
Date : July 13, 2022  
Place : Ahmedabad

**VITAL CHEMTECH LIMITED**  
(FORMALY KNOWN AS VITAL CHEMTECH LIMITED LIABILITY PARTNERSHIP)

**ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS**

(Amount in Lakhs except Units in Actual Numbers)

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	1,077.99	1,196.85	470.79	234.52
Adjustments for:				
Depreciation	57.57	78.71	91.88	88.97
Finance Cost	38.31	82.24	110.33	139.30
Interest Income	-5.25	-36.42	-19.44	-20.51
<b>Operating profit before working capital changes</b>	<b>1,168.62</b>	<b>1,321.38</b>	<b>653.56</b>	<b>442.29</b>
Movements in working capital :				
(Increase)/Decrease in Reserves	0.00	0.00	0.00	-9.70
(Increase)/Decrease in Inventories	-394.52	-290.05	-82.68	33.49
(Increase)/Decrease in Trade Receivables	-1,456.13	-1,352.36	-225.28	-230.20
(Increase)/Decrease in Loans & Advances	122.34	-127.13	64.74	-7.22
(Increase)/Decrease in Other Current Assets	475.29	-740.25	-0.59	-50.44
Increase/(Decrease) in Trade Payables	-802.38	2,356.41	283.09	251.33
Increase/(Decrease) in Other Current Liabilities	-82.64	69.58	3.74	-6.70
Increase/(Decrease) in Long Term Provisions	-0.84	1.34	3.06	2.93
Increase/(Decrease) in Short Term Provisions	-84.63	243.50	81.86	24.30
<b>Cash generated from operations</b>	<b>-2,223.52</b>	<b>161.03</b>	<b>127.94</b>	<b>7.78</b>
Adjustment on Account of Income Tax Expense	-286.55	-420.51	-171.77	-84.99
				0.00
<b>Net cash from operating activities (A)</b>	<b>-1,341.45</b>	<b>1,061.91</b>	<b>609.73</b>	<b>365.07</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments	408.95	-841.52	-171.12	333.91
(Increase)/Decrease in Long Term Loans & Advances	-5.89	-0.22	0.00	-7.85
Interest Income	5.25	36.42	19.44	20.51
Sale/(Purchase) of Fixed Assets	-870.76	-174.76	-300.10	-90.05
(Increase)/Decrease in Other Non Current Assets	-5.68	0.00	0.00	0.00
<b>Net cash from investing activities (B)</b>	<b>-468.14</b>	<b>-980.08</b>	<b>-451.77</b>	<b>256.51</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest/Other expenses paid on borrowings	-38.31	-82.24	-110.33	-139.30
Proceeds/(Repayment) of Long Term Borrowings	360.55	167.36	-32.60	-463.41
Increase/(Decrease) in Short Term Borrowings	1,503.32	-247.02	84.55	-77.57
Increase/(Decrease) in Partner's Capital		0.06		
<b>Net cash from financing activities (C)</b>	<b>1,825.56</b>	<b>-161.84</b>	<b>-58.37</b>	<b>-680.28</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>15.97</b>	<b>-80.01</b>	<b>99.59</b>	<b>-58.70</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>23.17</b>	<b>103.18</b>	<b>3.59</b>	<b>62.30</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>39.14</b>	<b>23.17</b>	<b>103.18</b>	<b>3.59</b>
	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</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 mentioned in Balance sheet

For, Abhishek Kumar & Associates  
Chartered Accountants  
Firm Registration No : 130052W

For & On behalf of Board of Directors  
Vital Chemtech Limited

Vipul Bhatt  
Chairman and Managing  
Director  
DIN : 06716658

Sangeeta Bhatt  
Whole-time Director  
DIN : 06716704

CA ABHISHEK AGARWAL  
Proprietor

Kekti Oza  
Chief Financial Officer

Puja Paras Mehta  
Company Secretary & Compliance  
Officer

M. No. 132305  
UDIN : 22132305ANEMKV7593  
Date : July 13, 2022  
Place : Ahmedabad

**CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/ (LOSS) AND RECONCILIATION OF NETWORTH**

**A. COMPANY INFORMATION**

Our Company was originally incorporated as a private limited company on November 11, 2013, as ‘Rudra Chemtech Private Limited’, under the provisions of the Companies Act, 1956. Subsequently, Our Company was converted to Limited Liability Partnership Firm as ‘Rudra Chemtech Limited Liability Partnership’ having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 on February 12, 2015, under the LLP Act, 2008. Thereafter, on February 20, 2015, name was changed to ‘Vital Chemtech Limited Liability Partnership’ pursuant to Rule 20(3) of the LLP Rules, 2009. Later on, our Limited Liability Partnership was converted to Public Limited Company under section 366 Part I chapter XXI of the Companies Act, 2013 as ‘Vital Chemtech Limited’ and fresh Certificate of Incorporation dated November 25, 2021, was issued by Assistant Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24299GJ2021PLC127538.

Our Company is engaged in the business of manufacturing of Phosphorus Derivatives Products. Our Company is manufacturer and supplier of Phosphorus base chemicals with highest quality practice and compliant with Highest Environmental, Health, and Safety (EHS) in chemical industry. The company has State of the Art Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) operated in integrated complex in PCPIR region of Dahej, Gujarat, India for manufacturing of phosphorus base chemicals.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Convention**

The 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 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 and 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 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 all kinds of chemicals and secondary segment of trading, hence segment reporting has been provided in Annexures. 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:

The Company has valued its obligations related to Gratuity as follows:

(Rs. in lakhs except units are in actual numbers)

I. ASSUMPTIONS	For the Period Ended on March 31, 2022	For the Year Ended on November 24, 2021	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
Discount Rate	6.8%	6.8%	6.8%	7%
Expected Rate of Salary Increase	6%	7%	7%	7%
Attrition Rate	5% to 1%	5% to 1%	5% to 1%	5% to 1%
Mortality Rate	IALM (2012-14) ULT	IALM (2012-14) ULT	IALM (2012-14) ULT	IALM (2012-14) ULT
Retirement	60 Years	60 Years	60 Years	60 Years

<b>II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS</b>	<b>For the Period Ended on March 31, 2022</b>	<b>For the Year Ended on November 24, 2021</b>	<b>For the Year Ended on March 31, 2021</b>	<b>For the Year Ended on March 31, 2020</b>
Defined Benefit Obligation at beginning of the year	<b>6.129</b>	<b>6.129</b>	<b>2.980</b>	<b>1.772</b>
Current Service Cost	2.490	2.846	2.514	1.167
Interest cost	0.417	0.278	0.203	0.128
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-	-	0.272	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Experience Adjustments	(2.432)	(1.791)	0.161	(0.086)
Defined Benefit Obligation as at end of the year	<b>6.604</b>	<b>7.462</b>	<b>6.129</b>	<b>2.980</b>
<b>III. AMOUNT RECOGNIZED IN THE BALANCE SHEET:</b>	<b>For the Period Ended on March 31, 2022</b>	<b>For the Year Ended on November 24, 2021</b>	<b>For the Year Ended on March 31, 2021</b>	<b>For the Year Ended on March 31, 2020</b>
Net liability as at beginning of the year	<b>6.129</b>	<b>6.129</b>	<b>2.980</b>	<b>1.772</b>
Net expense recognized in the Statement of Profit and Loss	0.474	1.332	3.149	1.208
Expected Return on Plan Assets	-	-	-	-
Net liability as at end of the year	<b>6.604</b>	<b>7.462</b>	<b>6.129</b>	<b>2.980</b>
<b>IV. EXPENSE RECOGNIZED:</b>	<b>For the Period Ended on March 31, 2022</b>	<b>For the Year Ended on November 24, 2021</b>	<b>For the Year Ended on March 31, 2021</b>	<b>For the Year Ended on March 31, 2020</b>
Current Service Cost	<b>2.490</b>	<b>2.846</b>	<b>2.514</b>	<b>1.167</b>
Interest Cost	0.417	0.278	0.203	0.128
Return on Plan Assets	-	-	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-	-	0.272	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Experience Adjustments	(2.432)	(1.791)	0.161	(0.086)
Expense charged to the Statement of Profit and Loss	<b>0.474</b>	<b>133234</b>	<b>3.149</b>	<b>1.208</b>

<b>V. BALANCE SHEET RECONCILIATION:</b>	<b>For the Period Ended on March 31, 2022</b>	<b>For the Year Ended on November 24, 2021</b>	<b>For the Year Ended on March 31, 2021</b>	<b>For the Year Ended on March 31, 2020</b>
Opening net liability	6.129	6.129	2.980	1.772
Expense as above	0.474	1.332	3.149	1.208
Provision Related to Previous Year booked as Prior Period Items	-	-	-	-
Return on Plan Assets	-	-	-	-
Benefits Paid	-	-	-	-
Net liability/(asset) recognized in the balance sheet	6.604	7.462	6.129	2.980

#### 5. Foreign Currency Transaction (AS 11)

Foreign currency transaction includes Import and Export as per Accounting Standard – 11 as at the end of the year/period is reported as under.

<b>Particulars</b>	<b>For the Period Ended on March 31, 2022</b>	<b>For the Year Ended on November 24, 2021</b>	<b>For the Year Ended on March 31, 2021</b>	<b>For the Year Ended on March 31, 2020</b>
<b>Foreign Exchange Earnings</b>				
<b>Sales</b>				
Receipts in Foreign Currency	2.40	-	-	-
FOB Value of Exports	179.55	-	-	-
<b>Foreign Exchange Outgoings</b>				
<b>Purchase</b>				
Payments in Foreign Currency	50.02	40.18	31.78	33.59
CIF Value of Imports	3758.20	3015.13	2388.33	2399.80

#### 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, 2022 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)

<b>Particulars</b>	<b>As At March 31, 2022</b>	<b>As At November 24, 2021</b>	<b>As At March 31, 2021</b>	<b>As At March 31, 2020</b>
WDV as per Companies Act, 2013 (A)	1706.214	893.019	796.977	588.766
WDV as per Income tax Act, 1961 (B)	1071.040	780.975	659.955	465.251
Difference in WDV (A-B)	635.174	112.044	137.022	123.515
Deferred Tax (Asset)/ Liability (C)	160.064	38.655	47.273	43.107

Particulars	As At March 31, 2022	As At November 24, 2021	As At March 31, 2021	As At March 31, 2020
Gratuity Closing Balance Books (D)	6.604	7.462	6.129	2.980
Gratuity Closing Balance Income Tax (E)	-	-	-	-
Difference Gratuity (D-E)	6.0604	7.462	6.129	2.980
Deferred Tax (Asset)/ Liability '(F)	1.664	2.574	2.115	1.040
Resated Closing Balance of Deferred Tax (Asset)/ Liability	161.728	41.229	49.387	44.147
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	41.229	49.387	44.147	-
Deferred Tax (Assets)/ Liability charged to Profit & Loss	120.499	(8.158)	5.240	44.147

### MATERIAL ADJUSTMENT TO THE RESTATED FINANCIAL STATEMENT

#### 1 Material Regrouping:

Appropriate adjustments have been made in the Restated 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 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, 2022	As At November 24, 2021	As At March 31, 2021	As At March 31, 2020
<b>(A) Net Profits as per audited financial statements (A)</b>	<b>789.822</b>	<b>838.254</b>	<b>301.855</b>	<b>164.006</b>
<b>Add/(Less) : Adjustments on account of -</b>				
1) Change in Provision for Current Tax	(16.554)	(45.510)	5.230	5.010
2) Difference on Account of Calculation in Deferred Tax	(120.499)	8.158	<b>(5.240)</b>	(44.147)
3) Difference on Account of Calculation in Depreciation	12.042	(12.571)	(4.920)	(18.277)
4) Difference on Account of Provision for Gratuity	6.129	(1.332)	(3.149)	(1.208)
4) Difference on Account of Provision for Audit Fees	-	(2.500)	-	-
<b>Total Adjustments (B)</b>	<b>(118.882)</b>	<b>(53.756)</b>	<b>(8.079)</b>	<b>(58.622)</b>
<b>Restated Profit/ (Loss) (A+B)</b>	<b>670.940</b>	<b>784.498</b>	<b>293.776</b>	<b>102.384</b>

### 3. Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years:

#### i) Difference on Account of Change in Deferred Tax

Depreciation is provided as per normal provisions on the assets in Audited financials Statement of LLP 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 LLP of which effects has been given in Restated Financials as per actuarial report, due to which, Deferred Tax Calculation also got changed.

ii) **Difference on Account of Change in Provision for Income 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.

iii) **Difference on Account of Change in Depreciation Calculation**

Depreciation is provided as per normal provisions on the assets in Audited financials Statement of LLP of which effect has been given in Restated Financials as per Companies Act due to which Depreciation amount was changed.

iv) **Difference on Account of Provision for Gratuity**

Gratuity Provision is provided in Restated Financials which has not been provided in Restated Financials.

**Reconciliation of Equity**

(Rs. in lakhs except units are in actual numbers)

Particulars	As At March 31, 2022	As At November 24, 2021	As At March 31, 2021	As At March 31, 2020
<b>Equity Share Capital and Reserves &amp; Surplus as per Audited Financial Statement</b>	<b>1461.882</b>	<b>2351.379</b>	<b>673.920</b>	<b>372.064</b>
Add/(Less) : Adjustments on account of charge in Profit/Loss	(118.882)	(1679.319)	(76.397)	(68.317)
Total Adjustments	(118.882)	(1679.319)	(76.397)	(68.317)
Equity Share Capital and Reserves & Surplus as per Restated Financials Statement	<b>1343.000</b>	<b>672.060</b>	<b>597.523</b>	<b>303.747</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).

**9. Trade Payable Ageing Summary**

**31.03.2022**

Particulars	Outstanding for following periods from due date of payment / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) MSME	93.109	119.093	25.816	18.053	8.306	264.377
(ii) Others	1513.262	27.527	11.516	855.965	68.899	2744.169

**24.11.2021**

Particulars	Outstanding for following periods from due date of payment / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) MSME	74.453	43.479	8.600	12.923	1.600	142.055
(ii) Others	2205.828	344.760	817.167	-	34.118	3401.873

**31.03.2021**

Particulars	Outstanding for following periods from due date of payment / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) MSME	21.636	15.453	7.379	-	-	44.469
(ii) Others	413.090	651.025	9.129	6.502	63.307	1143.053

**31.03.2020**

Particulars	Outstanding for following periods from due date of payment / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) MSME	12.372	18.626	13.429	5.586	-	50.01
(ii) Others	362.789	213.848	231.099	11.009	35.670	854.414

**10. Trade Receivable Ageing Summary****31.03.2022**

Particulars	Outstanding for following periods from due date of receipts / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) From Directors/ Relatives/ Associates	-	-	-	-	-	-
(ii) Others	1520.663	1367.785	802.981	381.875	99.700	4173.004

**24.11.2021**

Particulars	Outstanding for following periods from due date of receipts / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) From Directors/ Relatives/ Associates	-	-	-	-	-	-
(ii) Others	1653.331	725.297	161.366	160.749	16.129	2716.871

**31.03.2021**

Particulars	Outstanding for following periods from due date of receipts / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) From Directors/ Relatives/ Associates						
Vital Chemicals	28.893	0.094	-	-	-	28.988
(ii) Others	889.679	377.302	58.723	8.282	1.535	1335.521

31.03.2020

Particulars	Outstanding for following periods from due date of receipts / Invoice date					Total
	< 30 Days	30 to 60 Days	60 to 90 Days	90 to 180 Days	>180 Days	
(i) From Directors/ Relatives/ Associates						
Vital Chemicals	26.250	23.789	27.894	17.419	-	95.353
(ii) Others	388.305	349.440	162.810	133.217	10.107	1043.879

11. Accounting Ratios:

S. No.	Particular	March 31, 2022	November 24, 2021	March 31, 2021	March 31, 2020	Reason for Movement
(a)	Current Ratio	1.20	1.04	1.11	1.24	Reason for Movement is not required since movement is not more than 25%
(b)	Debt-Equity Ratio	2.61	2.43	1.68	3.14	Debt Equity Ratio is measured in the year 2020 due to fresh loans availed during the year. Further in the year 2021 and till 24 <sup>th</sup> November, 2021, the same has been decreased due to their repayments. However as at 31 <sup>st</sup> March, 2022 ratio is increased due to fresh loan has been raised during this period.
(c)	Debt Service Coverage Ratio	11.81	15.25	6.11	3.36	This ratio in the year 2022 is decreased due to availment of fresh loans. Further in the preceeding years the same has been increased due to repayment of debt with increase in operating income.
(d)	Return on Equity Ratio	66.59%	123.58%	65.19%	41.18%	Return on Equity has been increased due to increase in profit with same equity base.
(e)	Inventory Turnover Ratio (in times)	5.33	9.70	17.50	18.42	The Inventory Turnover Ratio has decreased significantly due to increase in Work-in-Progress and Bigger size of Consignments.
(f)	Trade Receivables Turnover Ratio (in times)	1.67	4.19	3.79	4.02	In the year 2022, The Trade Receivables Turnover Ratio is decreased due to increased credit period allowed to customers by company. Further, the same has been increased in the preceeding period due to non realization of credit sales as on the closing of financials.
(g)	Trade Payables Turnover Ratio (in times)	1.33	1.62	3.08	3.62	Movements in the year 2022 and 2021 are not more than 25% so that reason is not required. Further, in the stub period ended on 24 <sup>th</sup> November, 2021 the same has been

S. No.	Particular	March 31, 2022	November 24, 2021	March 31, 2021	March 31, 2020	Reason for Movement
						decreased and in line with previous financial years due to normal credit period allowed by suppliers.
(h)	Net Capital Turnover Ratio (in times)	1.99	4.58	3.79	3.17	Movements in the year 2021, 2020 and in the stub period ended on 24th November, 2021 are not more than 25% so that reason is not required. In the year 2022, Net Capital Turnover Ratio declined due to increased Average Capital Employed by way of Long-Term Borrowings.
(i)	Net Profit Ratio	11.65%	9.17%	6.20%	2.56%	Net Profit Ratio is increased significantly because sales are increased and other fixed overheads are not increased in that proportion.
(j)	Return on Capital Employed	37.81%	66.77%	45.18%	26.27%	Return on Capital Employed is increased significantly because sales are increased and other fixed overheads are not increased in that proportion.
(k)	Return on Investment	23.17%	41.97%	23.50%	8.11%	Due to increase in profitability with same level of investment base, this ratio has been significantly increased on year-on-year basis.

Particulars	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt-Equity Ratio	Debt	Equity
Debt Service Coverage Ratio	Earnings available for Debt Services	Total Debt Service
Return on Equity Ratio	Profit After Tax	Average Shareholder's Fund
Inventory turnover ratio (in times)	Cost of Goods Sold	Average Inventory
Trade Receivables turnover ratio (in times)	Revenue from Operation	Average Trade Receivables
Trade payables turnover ratio (in times)	Purchases	Average Trade Payables
Net capital turnover ratio (in times)	Revenue from Operation	Average Capital Employed
Net profit ratio	Net Profit After Tax	Revenue from Operation
Return on Capital employed	Earning before Interest and Taxes	Average Capital Employed
Return on investment.	Net Profit After Tax	Average Capital Employed

## ANNEXURE - A.1 : Restated Statement of Share Capital

(Amount in Lakhs except Units in Actual Numbers)

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Share Capital</b>				
<b>Authorised Share Capital</b>				
1,40,00,000 Equity Shares of Rs. 10 Each (Previous year NIL)	1,400.00	0.00	0.00	0.00
<b>Total</b>	<b>1,400.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>				
67,20,600 Equity Shares of Rs. 10 Each (Previous year NIL)	672.06	0.00	0.00	0.00
<b>Total</b>	<b>672.06</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Shareholders Fund</b>				
<b>Partner's Capital Account</b>				
Opening Balance	672.06	597.52	303.75	208.06
Add : Fresh Capital introduced during the year	0.00	0.06	0.00	0.00
Less : Capital Withdrawn during the year	0.00	-870.67	-301.22	-250.66
Less : Adjustment for Gratuity	0.00	0.00	0.00	-1.77
Add : Remuneration	0.00	825.00	225.00	161.00
Add : Interest on Partners Capital	0.00	45.67	76.22	81.74
Add : Share of Profit from the firm	0.00	784.50	293.78	105.38
Less : Transfer to Unsecured Loan	0.00	-710.02	0.00	0.00
<b>Total</b>	<b>672.06</b>	<b>672.06</b>	<b>597.52</b>	<b>303.75</b>

## ANNEXURE - A.1.1 : Restated Statement of Share Capital

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Shareholders Fund</b>				
<b>Partner's Capital Account</b>				
<b>Vipul Bhatt</b>				
Opening Balance	502.02	446.16	225.83	156.04
Add : Fresh Capital introduced during the year	0.00	0.00	0.00	0.00
Less : Capital Withdrawn during the year	0.00	-527.20	-184.00	-157.35
Less : Adjustment for Gratuity	0.00	0.00	0.00	-1.33
Add : Remuneration	0.00	495.00	135.00	96.60
Add : Interest on Partners Capital	0.00	32.20	49.00	52.82
Add : Share of Profit from the firm	0.00	588.37	220.33	79.04
Less : Transfer to Unsecured Loan	0.00	-532.52	0.00	0.00
<b>Total</b>	<b>502.02</b>	<b>502.02</b>	<b>446.16</b>	<b>225.83</b>
<b>Sangeeta Bhatt</b>				
Opening Balance	169.98	151.36	77.92	52.01
Add : Fresh Capital introduced during the year	0.00	0.00	0.00	0.00
Less : Capital Withdrawn during the year	0.00	-343.47	-117.22	-93.31
Less : Adjustment for Gratuity	0.00	0.00	0.00	-0.44
Add : Remuneration	0.00	330.00	90.00	64.40
Add : Interest on Partners Capital	0.00	13.47	27.22	28.91
Add : Share of Profit from the firm	0.00	196.12	73.44	26.35
Less : Transfer to Unsecured Loan	0.00	-177.51	0.00	0.00
<b>Total</b>	<b>169.98</b>	<b>169.98</b>	<b>151.36</b>	<b>77.92</b>
<b>Jay Bhatt</b>				
Opening Balance	0.01	0.00	0.00	0.00
Add : Fresh Capital introduced during the year	0.00	0.01	0.00	0.00
Less : Capital Withdrawn during the year	0.00	0.00	0.00	0.00
Less : Transfer to Unsecured Loan	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>
<b>Keyaa V Bhatt</b>				
Opening Balance	0.01	0.00	0.00	0.00
Add : Fresh Capital introduced during the year	0.00	0.01	0.00	0.00
Less : Capital Withdrawn during the year	0.00	0.00	0.00	0.00
Less : Transfer to Unsecured Loan	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>
<b>Vipul J Bhatt HUF</b>				
Opening Balance	0.01	0.00	0.00	0.00
Add : Fresh Capital introduced during the year	0.00	0.01	0.00	0.00
Less : Capital Withdrawn during the year	0.00	0.00	0.00	0.00
Less : Transfer to Unsecured Loan	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>
<b>Hitesh J Bhatt</b>				
Opening Balance	0.01	0.00	0.00	0.00
Add : Fresh Capital introduced during the year	0.00	0.01	0.00	0.00
Less : Capital Withdrawn during the year	0.00	0.00	0.00	0.00
Less : Transfer to Unsecured Loan	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>
<b>Dhaval H Pandya</b>				
Opening Balance	0.01	0.00	0.00	0.00
Add : Fresh Capital introduced during the year	0.00	0.01	0.00	0.00
Less : Capital Withdrawn during the year	0.00	0.00	0.00	0.00
Less : Transfer to Unsecured Loan	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>672.06</b>	<b>672.06</b>	<b>597.52</b>	<b>303.75</b>

ANNEXURE – A.2 : Restated Statement of Reserves and Surplus

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Reserves &amp; Surplus</b>				
<b>I. Securities Premium</b>				
Balance as at the beginning of the year	0.00	0.00	0.00	0.00
Addition during the year	0.00	0.00	0.00	0.00
Issued for Bonus Issue	0.00	0.00	0.00	0.00
Balance as at the end of the year	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Balance in Statement of Profit &amp; Loss</b>				
Balance as at the beginning of the year	0.00	0.00		
Add: Profit for the year	670.94			
Less: Prior Period Items	0.00			
Less :Equity shares issued during the year*	0.00			
Balance as at the end of the year	<b>670.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>670.94</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</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.

Note : 1)The Company has been formed from conversion of Limited Liability Partnership firm into company vide a certificate of incorporation dated 25.11.2021. The company has been converted with paid up equity share capital of Rs. 67,206,000 divided into 67,20,600 equity shares of Rs. 10 each. The status of company prior to 25.11.2021 was that of Limited Liability partnership firm. Hence EPS, NAV per share of all years has been calculated by considering number of shares outstanding post conversion of Limited Liability partnership firm into company i.e. 67,20,600 Equity shares of Rs. 10 each

2) The status of the company up to November 25, 2021 was Limited Liability partnership firm. For the purpose of Restated Financial Statements, the accounts of the Limited Liability partnership firm for the year ended on March 31, 2020,2021 and for the period ended on November 24, 2021 have been recasted in accordance with the requirements of Schedule III of the Companies Act, 2013.

Thus Share Capital disclosed for these years represents Partners' Capital in the Partnership Firm.

3) The above statements should be read with the significant accounting policies and notes to restated summary statements of assets & liabilities and statement of profit & loss appearing in Annexure D, A, B, C.

ANNEXURE – A.3 :Restated Statement of Long Term Borrowings

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Secured:</b>				
<b>From Bank:</b>				
ICICI Bank - Car Loan (Secured against hypothecation of Mercedes Benz Car & Mahindra XUV Car. Ownership of this vehicles is in name of promoter)	0.00	0.00	28.34	42.01
SIDBI Term Loan	306.79	0.00	0.00	0.00
BMW Financial Services (Secured against hypothecation of BMW Car. Ownership of this vehicles is in name of promoter)	40.49	42.52	0.00	0.00
<b>Unsecured:</b>				
Loan from Promoters, Directors/Related Parties	<b>1,665.34</b>	<b>1,609.55</b>	<b>746.36</b>	<b>765.28</b>
Vipul J. Bhatt	1,116.68	1,129.72	465.40	482.48
Sangita v. Bhatt	356.93	419.45	220.57	277.64
Jay Bhatt	132.50	0.00	0.00	5.16
Vipul J. Bhatt HUF	59.23	60.39	60.39	0.00
<b>Total</b>	<b>2,012.62</b>	<b>1,652.07</b>	<b>774.70</b>	<b>807.29</b>

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.

ANNEXURE – A.4 : Restated Statement of Long-Term Provisions

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Provision For Gratuity	6.48	7.32	5.99	2.93
<b>Grand Total</b>	<b>6.48</b>	<b>7.32</b>	<b>5.99</b>	<b>2.93</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, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Secured:</b>				
<b>From Bank</b>				
Axis Bank - Cash Credit Account	404.66	-48.07	216.43	138.72
Union Bank of India - Cash Credit Account	0.00	-0.69	-0.71	-0.06
Yes Bank Ltd- Overdraft Account	0.00	-0.01	0.00	0.00
Current Maturity of Long Term Borrowings	78.52	32.92	8.71	7.96
<b>Unsecured:</b>				
Loan from Directors/Related Parties:	0.00	0.00	0.00	0.00
Valentia Synthensis Pvt Ltd	1,004.29	0.00	0.00	0.00
<b>Others:</b>				
Mayur P Shah	0.00	0.00	6.74	0.00
<b>Total</b>	<b>1,487.47</b>	<b>-15.85</b>	<b>231.17</b>	<b>146.61</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.

**ANNEXURE – A.6 : Restated Statement of Trade Payables**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Trade Payables due to				
- Micro and Small Enterprises	264.38	142.06	44.47	50.01
- Others				
- Promotor/Promotor Group	0.00	0.00	0.00	0.00
- Others	2,477.17	3,401.87	1,143.05	854.41
<b>Total</b>	<b>2,741.55</b>	<b>3,543.93</b>	<b>1,187.52</b>	<b>904.43</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.

Trade Payable due to others are subject to Third Party Confirmation.

**ANNEXURE – A.7 : Restated Statement of Other Current Liabilities**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Statutory Payables	10.90	48.89	8.26	9.20
Salary Payables	0.00	0.00	0.00	0.00
Payable to Employees	0.00	6.05	13.29	9.28
Provision for Expenses	0.00	0.00	2.18	0.00
Provision for Audit Fees	2.50	2.50	0.00	0.00
Director Remuneration Payable	0.00	0.00	0.00	0.00
Other Payables	1.69	0.94	0.86	5.94
Advance Received	0.00	0.00	0.78	0.00
<b>Advance from Trade Receivables</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Vital Chemicals	0.00	30.46	0.00	0.00
Others	0.00	8.89	2.78	0.00
<b>Grand Total</b>	<b>15.09</b>	<b>97.73</b>	<b>28.15</b>	<b>24.42</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.

**ANNEXURE – A.8 : Restated Statement of Short Term Provisions**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Provision For Gratuity	0.12	0.14	0.14	0.06
Provision for Income Tax	325.66	410.27	166.76	84.99
<b>Grand Total</b>	<b>325.78</b>	<b>410.41</b>	<b>166.90</b>	<b>85.05</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.

\*Provision for

Income Tax is calculated in Statement of Tax Shelter considering the Allowance & Disallowance of Income & Expenditure in the Income Tax Return filed by the company.

**ANNEXURE – A.10 : Restated Statement of Non-Current Investments**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Quoted Securities and Investments</b>				
SBI Corporate Bond Fund	285.13	285.13	50.13	0.00
SBI Overnight Fund	10.00	49.88	0.00	0.00
SBI Saving Fund	0.00	200.00	0.00	0.00
	0.00	0.00	0.00	0.00
<b>Un-quoted Securities and Investments</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Axis Bank FDR*	584.84	752.91	397.27	276.28
UBI Bank FDR	0.37	1.37	0.37	0.37
<b>Grand Total</b>	<b>880.35</b>	<b>1,289.29</b>	<b>447.77</b>	<b>276.65</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.

\* Axis Bank Fixed Deposits are lien against LC

**ANNEXURE – A.10.2 : Restated Statement of Market Value of Quoted Securities and Investments**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Market Value of Quoted Securities and Investments</b>				
<b>SBI Corporate Bond Fund:</b>				
Number of Bonds/ Securities	23,38,598.63	23,38,598.63	4,14,749.83	0.00
NAV at Closing Date	12.58	12.44	12.08	0.00
Market Value (Amount in Lakhs)	294.19	290.99	50.11	0.00
<b>SBI Overnight Fund:</b>				
Number of Bonds/ Securities	294.92	1,488.30	0.00	0.00
NAV at Closing Date	3,425.28	3,386.49	0.00	0.00
Market Value (Amount in Lakhs)	10.10	50.40	0.00	0.00
<b>SBI Saving Fund:</b>				
Number of Bonds/ Securities	0.00	6,02,713.11	0.00	0.00
NAV at Closing Date	0.00	33.27	0.00	0.00
Market Value (Amount in Lakhs)	0.00	200.51	0.00	0.00

\* Units numbers and closing rate are at actual figures

**ANNEXURE – A.11 : Restated Statement of Deferred Tax (Assets)/Liabilities (Net)**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Liability</b>				
Related to Fixed Assets	160.06	38.66	47.27	43.11
Related to Gratuity Provisions	1.66	2.57	2.11	1.04
<b>Total (a)</b>	<b>161.73</b>	<b>41.23</b>	<b>49.39</b>	<b>44.15</b>
<b>Deferred Tax Assets</b>				
Related to Fixed Assets	0.00	0.00	0.00	0.00
<b>Total (b)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Deferred Tax (Asset)/Liability [(b)-(a)]</b>	<b>161.73</b>	<b>41.23</b>	<b>49.39</b>	<b>44.15</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.

**ANNEXURE – A.12 : Restated Statement of Long Term Loans & Advances**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Deposits</b>				
CST Deposit	0.10	0.10	0.10	0.10
Sarvam Petroleum Deposit	0.25	0.25	0.25	0.25
DGVCL Deposit	15.99	11.54	11.54	11.54
VAT Deposit	0.10	0.10	0.10	0.10
Kalpsar Resort Security Deposit	0.22	0.22	0.00	0.00
CDSL Security Deposit	0.45	0.00	0.00	0.00
NSDL Security Deposit	0.45	0.00	0.00	0.00
Tender EMD Deposit	0.54	0.00	0.00	0.00
<b>Grand Total</b>	<b>18.10</b>	<b>12.21</b>	<b>11.99</b>	<b>11.99</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.

**ANNEXURE – A.13 : Restated Statement of Other Non Current Assets**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Preliminary Expenses	5.68	0.00	0.00	0.00
<b>Grand Total</b>	<b>5.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Note A.13.1 : 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.14 : Restated Statement of Inventories**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Closing Stock Raw Material	574.51	213.60	111.52	1.25
Closing Stock WIP	90.20	108.54	47.52	69.01
Closing Stock of Finished Goods	240.75	188.81	61.86	67.96
<b>Grand Total</b>	<b>905.47</b>	<b>510.94</b>	<b>220.90</b>	<b>138.22</b>

Note A.14.1 : 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.

Stock is physically verified, reconciled with the stock records & Certified by the management at the end of the reporting period

\* Closing

**ANNEXURE – A.15 : Restated Statement of Trade Receivables**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.				
Vital Chemicals	0.00	0.00	0.00	0.00
Others	99.70	16.13	1.53	10.11
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.				
Vital Chemicals	0.00	0.00	28.99	95.35
Others	4,073.30	2,700.74	1,333.99	1,033.77
<b>Grand Total</b>	<b>4,173.00</b>	<b>2,716.87</b>	<b>1,364.51</b>	<b>1,139.23</b>

Note A.15.1 : 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.

\* Trade Receivables are subject to Third Party Confirmation

**ANNEXURE – A.16 : Restated Statement of Cash and Cash Equivalents**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Cash &amp; Cash Equivalents</b>				
Cash in hand	38.46	21.74	0.22	1.19
Balances with Banks:				
In Current Accounts	0.68	1.42	102.96	2.40
<b>Grand Total</b>	<b>39.14</b>	<b>23.17</b>	<b>103.18</b>	<b>3.59</b>

Note A.16.1 : 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.17 : Restated Statement of Short Term Loans and Advances**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Advances to Related Parties				
Jay Bhatt	0.00	122.32	0.00	0.00
Vital Chemicals	0.00	0.00	0.00	55.95
Advance Payment to Suppliers	0.00	0.00	0.28	9.51
Staff Advance	7.23	7.25	0.60	0.16
Warranty Deposit ( Mercedes Car )	0.00	0.00	1.56	1.56
<b>Grand Total</b>	<b>7.23</b>	<b>129.57</b>	<b>2.44</b>	<b>67.17</b>

Note A.17.1 : 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.18 : Restated Statement of Other Current Assets**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Advance Income Tax	200.00	115.00	86.98	85.00
Balances With Revenue Authorities (GST,TDS,etc)	89.47	187.06	2.37	4.05
Prepaid Expenses	0.87	0.00	4.23	3.94
<b>Advance to Trade Payables</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
MSME	2.25	65.25	0.00	0.00
Others	65.94	466.52	0.00	0.00
<b>Grand Total</b>	<b>358.54</b>	<b>833.83</b>	<b>93.58</b>	<b>92.99</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.

**ANNEXURE – B.1: Restated Statement of Revenue from Operations**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Revenue from operations				
Export	179.55	0.00	0.00	0.00
Domestic	5,581.91	8,558.80	4,739.65	4,115.98
<b>Revenue from operations</b>	<b>5,761.46</b>	<b>8,558.80</b>	<b>4,739.65</b>	<b>4,115.98</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.

**ANNEXURE – B.1.1: Bifurcation of Revenue Main Product Wise**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Revenue from operations</b>				
<b>Sales of Products</b>				
<b>Export</b>	<b>179.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Phosphorus Trichloride	179.55	0.00	0.00	0.00
<b>Domestic</b>	<b>5,497.49</b>	<b>8,479.61</b>	<b>4,599.27</b>	<b>4,027.30</b>
Phosphorus Trichloride	1,143.12	2,512.46	1,060.59	1,378.44
Phosphorus Oxychloride	2,609.57	4,783.59	2,827.63	2,044.12
Phosphorus Pentoxide	970.27	809.06	593.21	560.33
Phosphorus Pentachloride	261.85	316.75	111.55	41.24
Poly Phosphoric Acid	512.68	57.74	6.29	3.17
<b>Trading of Product</b>	<b>26.50</b>	<b>77.87</b>	<b>131.05</b>	<b>16.19</b>
Yellow Phosphorus	26.50	76.92	81.20	8.65
Tri Phenyl Phosphate	0.00	0.00	0.00	7.54
Magnesium Oxide	0.00	0.00	49.85	0.00
Liquid Chlorine	0.00	0.95	0.00	0.00
<b>Other Operating revenue:</b>	<b>57.92</b>	<b>1.33</b>	<b>9.33</b>	<b>72.49</b>
Lifting Charges	57.88	0.00	0.00	12.21
Freight Outward Income	0.00	1.33	3.22	16.78
Jobwork Income	0.00	0.00	6.11	43.50
Discarded Liner Bags	0.04	0.00	0.00	0.00
<b>Revenue from operations</b>	<b>5,761.46</b>	<b>8,558.80</b>	<b>4,739.65</b>	<b>4,115.98</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 – B.1.2: Bifurcation of Revenue Area Wise

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>Revenue from operations</b>				
<b>Sales of Products</b>				
<b>Export</b>				
DammamSaudi Arabia	179.55	0.00	0.00	0.00
	179.55			
<b>Domestic</b>	<b>5,497.49</b>	<b>8,479.61</b>	<b>4,599.27</b>	<b>4,027.30</b>
Andhra Pradesh	1,059.52	1,762.51	1,136.20	492.10
Dadra & Nagar Haveli	20.30	98.08	90.52	5.67
Daman & Diu	0.00	0.00	0.00	58.64
Goa	81.40	26.39	12.62	0.00
Gujarat	2,465.28	3,475.87	2,155.43	2,186.24
Haryana	40.04	295.56	35.92	34.50
Karnataka	8.00	44.06	2.47	0.00
Madhya Pradesh	79.45	143.50	131.34	78.57
Maharashtra	781.52	970.11	358.36	547.76
Orissa	0.00	8.55	0.75	0.00
Punjab	20.56	12.19	4.36	16.64
Rajasthan	0.00	43.20	7.57	16.85
Tamil Nadu	0.00	0.21	2.75	5.64
Telangana	865.61	1,557.29	660.99	583.46
Uttar Pradesh	75.82	40.70	0.00	1.22
West Bengal	0.00	1.39	0.00	0.00
<b>Trading of Product</b>	<b>26.50</b>	<b>77.87</b>	<b>131.05</b>	<b>16.19</b>
Yellow Phosphorus	26.50	76.92	81.20	8.65
Tri Phenyl Phosphate	0.00	0.00	0.00	7.54
Magnesium Oxide	0.00	0.00	49.85	0.00
Liquid Chlorine	0.00	0.95	0.00	0.00
<b>Other Operating revenue:</b>	<b>57.92</b>	<b>1.33</b>	<b>9.33</b>	<b>72.49</b>
Lifting Charges	57.88	0.00	0.00	12.21
Freight Outward Income	0.00	1.33	3.22	16.78
Jobwork Income	0.00	0.00	6.11	43.50
Discarded Liner Bags	0.04	0.00	0.00	0.00
<b>Revenue from operations</b>	<b>5,761.46</b>	<b>8,558.80</b>	<b>4,739.65</b>	<b>4,115.98</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 – B.2 : Restated Statement of Other Income

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
FDR Interest Income	3.96	28.64	19.44	20.51
Interest Income - DGVCL	0.39	0.00	0.00	0.00
Interest Income - Term Deposit	0.89	0.00	0.00	0.00
Interest Income on Late Payment	0.00	7.78	0.00	0.00
Other Interest Income - MSME	0.00	0.00	0.15	6.14
Kasar & vatav income	7.19	1.41	0.36	0.04
Exchange Rate Fluctuations	13.07	7.10	8.18	18.57
Excise Duty Rebate Income	0.00	0.00	0.67	0.00
Sale of Capital Goods	0.00	0.55	0.00	0.00
<b>Grand Total</b>	<b>25.51</b>	<b>45.47</b>	<b>28.81</b>	<b>45.26</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.

ANNEXURE – B.3 : Restated Statement of Cost of Material Consumed

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Opening Stock of Raw Material	213.60	111.52	1.25	62.99
Add: Purchases During the Period	4,171.53	3,839.82	3,225.66	2,821.15
Less: Closing Stock of Raw Material	574.51	213.60	111.52	1.25
	0.00	0.00	0.00	0.00
<b>Grand Total</b>	<b>3,810.62</b>	<b>3,737.74</b>	<b>3,115.39</b>	<b>2,882.89</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 – B.4 : Restated Statement of Change in Inventories of WIP, Finished Goods or Stock in Trade

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Opening Stock of Finished Goods	188.81	61.86	67.96	42.74
Opening Stock of WIP	108.54	47.52	69.01	65.98
Closing Stock of Finished Goods	240.75	188.81	61.86	67.96
Closing Stock of WIP	90.20	108.54	47.52	69.01
<b>Grand Total</b>	<b>-33.61</b>	<b>-187.97</b>	<b>27.59</b>	<b>-28.25</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.

\*Note :

Finished Goods includes finished goods, packing material & consumable materials)

ANNEXURE – B.5 : Restated Statement of Employee Benefit Expense

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Salaries, Wages and Incentives	53.73	89.19	35.45	21.00
Provident Fund	1.65	4.09	5.34	2.70
Staff Welfare Expense	6.91	9.98	10.38	8.92
Gratuity Exp.	0.47	1.33	3.15	1.21
Director Remuneration/ Partners Remuneration	60.00	825.00	225.00	161.00
<b>Grand Total</b>	<b>122.77</b>	<b>929.59</b>	<b>279.32</b>	<b>194.83</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.

**ANNEXURE – B.6 : Restated Statement of Finance costs**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Bank LC Charges	0.00	20.20	16.32	17.11
Interest Expenses	16.91	51.09	94.00	106.70
Bank Loan Processing Charges	21.39	10.95	0.00	15.50
<b>Grand Total</b>	<b>38.31</b>	<b>82.24</b>	<b>110.33</b>	<b>139.30</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.

**ANNEXURE – B.7 : Restated Statement of Depreciation & Amortization**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Depreciation	57.57	78.71	91.88	88.97
<b>Grand Total</b>	<b>57.57</b>	<b>78.71</b>	<b>91.88</b>	<b>88.97</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.

**ANNEXURE – B.8 : Restated Statement of Other Expenses**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Audit Fees	5.00	2.50	0.45	0.30
Association Fees	0.00	0.41	0.58	0.92
Advertisement Expenses	1.30	195.06	1.11	0.30
Bank Charges	10.10	6.86	6.18	2.07
Consumable Expense	34.76	35.12	16.27	43.58
Donation Expense	0.25	0.25	1.00	10.20
Exhibition Exp.	0.19	5.54	0.00	2.79
Export Expense	0.88	0.00	0.00	0.00
Factory Expense	212.75	544.08	217.78	141.46
Freight & Transport Expenses	82.27	81.92	101.57	68.14
Import Expense	19.63	45.56	57.44	49.68
Labour Charges	13.74	168.42	25.81	22.45
Legal Consultancy Expense	0.00	100.10	34.77	42.40
Loading & Unloading Charges	3.49	6.01	10.61	5.09
Legal & Professional Expenses	38.35	12.01	0.95	1.98
Insurance Expenses	19.35	13.17	26.36	5.27
Office Expenses	0.16	1.80	1.71	2.31
Packing Material Expenses	5.53	0.12	0.00	0.00
Power & Fuel	36.91	10.76	10.29	19.69
Registration & membership fees	19.20	0.47	0.57	0.55
Rent Expenses	3.00	0.00	0.00	0.00
Repair & Maintenance	141.66	55.75	31.55	31.61
Sales Commission Expense	0.00	1,192.95	108.77	157.63
Sales Promotional Expense	58.00	272.56	0.32	1.84
Security Charges- Plant	3.38	4.49	7.63	5.41
Travelling & Conveyance Expenses	1.76	3.46	1.92	10.27
Interest Expenses - Income Tax	0.00	0.40	0.44	2.79
Interest Expenses - TDS	0.00	0.18	0.24	0.11
Telephone and Mobile Expenses	0.33	0.00	0.00	0.00
Postage and Courier Expenses	0.50	0.00	0.00	0.00
Stationery and Printing Expenses	0.86	0.00	0.00	0.00
Tanker Road Tax	0.00	0.04	0.92	0.68
Municipal Tax	0.00	0.75	0.60	0.74
Drum Reconditioning Expenses	0.00	5.45	5.49	7.15
Tanker Trip Expenses	0.00	0.76	1.49	5.70
House Keeping Expenses	0.00	0.00	0.00	0.20
GPCB Fees	0.00	0.00	0.00	5.62
Interest Expenses - Credit Card	0.00	0.00	0.00	0.00
Interest Expenses - EPF	0.00	0.00	0.00	0.00
Labour Welfare Fund Expenses	0.00	0.00	0.01	0.00
VAT/CST Expenses	0.00	0.00	0.31	0.08
GST Late Payment Fees	0.00	0.00	0.00	0.00
TDS Expenses	0.00	0.13	0.00	0.00
<b>Grand Total</b>	<b>713.32</b>	<b>2,767.10</b>	<b>673.15</b>	<b>648.99</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.

**ANNEXURE – B.9 : Restated Statement of Deferred Tax (Assets)/Liabilities**

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
WDV as per Companies Act, 2013 (A)	1,706.21	893.02	796.98	588.77
WDV as per Income tax Act, 1961 (B)	1,071.04	780.97	659.96	465.25
Difference in WDV (A-B)	635.17	112.04	137.02	123.52
Deferred Tax (Asset)/ Liability (C)	160.06	38.66	47.27	43.11
Gratuity Closing Balance Books (D)	6.60	7.46	6.13	2.98
Gratuity Closing Balance Income Tax (E)	0.00	0.00	0.00	0.00
Difference Gratuity (D-E)	6.60	7.46	6.13	2.98
Deferred Tax (Asset)/ Liability (F)	1.66	2.57	2.11	1.04
Restated Closing Balance of Deferred Tax (Asset)/ Liability	161.73	41.23	49.39	44.15
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	41.23	49.39	44.15	0.00
Deferred Tax (Assets)/ Liability charged to Profit & Loss	120.50	-8.16	5.24	44.15

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.

## ANNEXURE – A.9 : Restated Statement of Property, Plant and Equipment

As At 31.03.22

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Acquired through business combinations	Additions	Deletion/Sale	As at March 31, 2022	As at November 25, 2021	Depreciation charge for the year till March 31, 2022	Deletion-Sale/Loss	As at March 31, 2022	Balance as at November 25, 2021	As at March 31, 2022
<b>A. Property Plant &amp; Equipment</b>										
Land	149.70	500.00	0.00	649.70	0.00	0.00	0.00	0.00	149.70	649.70
Buildings	372.42	19.16	0.00	391.59	117.30	8.43	0.00	125.73	255.13	265.86
Automation and Instruments	40.76	0.00	0.00	40.76	4.20	2.43	0.00	6.63	36.56	34.13
Computer and Systems	23.68	1.26	0.00	24.94	18.26	1.18	0.00	19.43	5.42	5.51
Electricals, Pipes-Valves and Pumps	97.07	73.28	0.00	170.34	57.08	6.64	0.00	63.71	39.99	106.63
Fire Hydrant Systems	16.39	0.00	0.00	16.39	2.83	0.85	0.00	3.68	13.56	12.71
Furnitures and Fixtures	10.69	1.84	0.00	12.53	6.34	0.40	0.00	6.74	4.35	5.79
Instruments	8.49	8.13	0.00	16.62	3.91	0.29	0.00	4.20	4.58	12.42
Laboratory Equipments	1.88	0.00	0.00	1.88	1.28	0.05	0.00	1.34	0.60	0.54
Machineries and Equipments	366.16	214.55	0.00	580.71	137.60	23.27	0.00	160.87	228.56	419.84
Utilities	85.65	52.53	0.00	138.18	18.84	4.57	0.00	23.41	66.81	114.77
Vehicles	158.74	0.00	0.00	158.74	70.98	9.46	0.00	80.44	87.77	78.30
<b>Grand Total</b>	<b>1,331.64</b>	<b>870.76</b>	<b>0.00</b>	<b>2,202.40</b>	<b>438.62</b>	<b>57.57</b>	<b>0.00</b>	<b>496.19</b>	<b>893.02</b>	<b>1,706.21</b>

As At 24.11.21

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at April, 1 2021	Additions	Deletion/Sale	Balance as at November 24, 2021	Balance as at April, 1 2021	Depreciation charge for the period	Adjustments/ Deletion-Sale/Loss	Balance as at November 24, 2021	Balance as at April, 1 2021	Balance as at November 24, 2021
<b>A. Property Plant &amp; Equipment</b>										
Land	149.70	0.00		149.70	0.00	0.00		0.00	149.70	149.70
Buildings	325.71	46.72		372.42	102.61	14.69		117.30	223.10	255.13
Automation and Instruments	17.25	23.52		40.76	0.13	4.07		4.20	17.12	36.56
Computer and Systems	22.40	1.28		23.68	15.25	3.00		18.26	7.15	5.42
Electricals, Pipes-Valves and Pumps	91.61	5.45		97.07	49.94	7.14		57.08	41.67	39.99
Fire Hydrant Systems	13.09	3.30		16.39	1.08	1.75		2.83	12.01	13.56
Furnitures and Fixtures	10.12	0.57		10.69	5.53	0.81		6.34	4.59	4.35
Instruments	8.49	0.00		8.49	3.30	0.61		3.91	5.19	4.58
Laboratory Equipments	1.88	0.00		1.88	1.16	0.12		1.28	0.72	0.60
Machineries and Equipments	327.29	38.87		366.16	107.81	29.80		137.60	219.48	228.56
Utilities	73.68	11.97		85.65	13.45	5.39		18.84	60.24	66.81
Vehicles	97.08	61.66		158.74	59.65	11.33		70.98	37.44	87.77
	<b>1,138.30</b>	<b>193.34</b>	<b>0.00</b>	<b>1,331.64</b>	<b>359.91</b>	<b>78.71</b>	<b>0.00</b>	<b>438.62</b>	<b>778.40</b>	<b>893.02</b>
Capital Work in Progress	18.58	21.47	0.00	40.05	0.00	0.00	40.05	0.00	18.58	0.00
<b>Grand Total</b>	<b>1,156.88</b>	<b>214.80</b>	<b>0.00</b>	<b>1,371.68</b>	<b>359.91</b>	<b>78.71</b>	<b>40.05</b>	<b>438.62</b>	<b>796.98</b>	<b>893.02</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 31.03.2021

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at April 1, 2020	Additions	Deletion/Sale	Balance as at March 21, 2021	Balance as at April 1, 2020	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at March 21, 2021	Balance as at April 1, 2020	Balance as at March 21, 2021
<b>A. Property Plant &amp; Equipment</b>										
Land	149.70	0.00		149.70	0.00	0.00		0.00	149.70	149.70
Buildings	279.85	45.85		325.71	80.62	21.99		102.61	199.23	223.10
Automation and Instruments	0.00	17.25		17.25	0.00	0.13		0.13	0.00	17.12
Computer and Systems	17.77	4.63		22.40	9.92	5.34		15.25	7.86	7.15
Electricals, Pipes-Valves and Pumps	67.95	23.67		91.61	40.82	9.12		49.94	27.13	41.67
Fire Hydrant Systems	0.00	13.09		13.09	0.00	1.08		1.08	0.00	12.01
Furnitures and Fixtures	9.25	0.88		10.12	4.13	1.41		5.53	5.12	4.59
Instruments	5.04	3.45		8.49	2.57	0.73		3.30	2.47	5.19
Laboratory Equipments	1.88	0.00		1.88	0.91	0.25		1.16	0.97	0.72
Machineries and Equipments	175.59	151.70		327.29	78.65	29.16		107.81	96.94	219.48
Utilities	52.68	21.01		73.68	7.69	5.76		13.45	44.99	60.24
Vehicles	97.08	0.00		97.08	42.72	16.93		59.65	54.37	37.44
	<b>856.79</b>	<b>281.52</b>	<b>0.00</b>	<b>1,138.30</b>	<b>268.02</b>	<b>91.88</b>	<b>0.00</b>	<b>359.91</b>	<b>588.77</b>	<b>778.40</b>
Capital Work in Progress	0.00	18.58		18.58	0.00	0.00		0.00	0.00	18.58
<b>Grand Total</b>	<b>856.79</b>	<b>300.10</b>	<b>0.00</b>	<b>1,156.88</b>	<b>268.02</b>	<b>91.88</b>	<b>0.00</b>	<b>359.91</b>	<b>588.77</b>	<b>796.98</b>

As At 31.03.2020

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at April 1, 2019	Additions	Deletion/Sale	Balance as at March 31, 2020	Balance as at April 1, 2019	Depreciation charge for the period	Deletion-Sale/Loss	Balance as at March 31, 2020	Balance as at April 1, 2019	Balance as at March 31, 2020
<b>A. Property Plant &amp; Equipment</b>										
Land	149.70	<b>0.00</b>		<b>149.70</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>	<b>149.70</b>	<b>149.70</b>
Buildings	233.50	46.35		<b>279.85</b>	61.08	19.54		<b>80.62</b>	<b>172.42</b>	<b>199.23</b>
Computer and Systems	8.77	9.00		<b>17.77</b>	2.09	7.83		<b>9.92</b>	<b>6.69</b>	<b>7.86</b>
Electricals, Pipes-Valves and Pumps	58.67	9.27		<b>67.95</b>	31.86	8.96		<b>40.82</b>	<b>26.82</b>	<b>27.13</b>
Furnitures and Fixtures	6.65	2.60		<b>9.25</b>	2.88	1.25		<b>4.13</b>	<b>3.77</b>	<b>5.12</b>
Instruments	4.41	0.63		<b>5.04</b>	2.08	0.49		<b>2.57</b>	<b>2.33</b>	<b>2.47</b>
Laboratory Equipments	1.57	0.31		<b>1.88</b>	0.57	0.34		<b>0.91</b>	<b>1.00</b>	<b>0.97</b>
Machineries and Equipments	144.16	31.43		<b>175.59</b>	54.62	24.04		<b>78.65</b>	<b>89.54</b>	<b>96.94</b>
Utilities	39.64	13.04		<b>52.68</b>	4.39	3.30		<b>7.69</b>	<b>35.25</b>	<b>44.99</b>
Vehicles	93.08	4.00		<b>97.08</b>	19.50	23.21		<b>42.72</b>	<b>73.58</b>	<b>54.37</b>
	<b>740.16</b>	<b>116.63</b>	<b>0.00</b>	<b>856.79</b>	<b>179.06</b>	<b>88.97</b>	<b>0.00</b>	<b>268.02</b>	<b>561.10</b>	<b>588.77</b>
Capital Work in Progress	18.65	48.71	67.36	<b>0.00</b>						
						0.00				
<b>Grand Total</b>	<b>758.81</b>	<b>165.33</b>	<b>67.36</b>	<b>856.79</b>	<b>179.06</b>	<b>88.97</b>	<b>0.00</b>	<b>268.02</b>	<b>561.10</b>	<b>588.77</b>

**A.1.4 Details of Shareholding more than 5% of the aggregate shares in the company**

Name of Shareholder	31-Mar-22		24-Nov-21		31-Mar-21		31-Mar-20	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Vipul J. Bhatt	50,40,000.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00
Sangeeta Vipul Bhatt	16,80,000.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>67,20,000.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</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 A,B,C,D.

<b>A.1.5 Shareholding of Promotors</b>								
Name of Shareholder	31-Mar-22		24-Nov-21		31-Mar-21		31-Mar-20	
	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding	Nos	% of Holding
Vipul J. Bhatt	50,40,000.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00

**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 A,B,C,D.

ANNEXURE – A.3.2

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)
							31.03.22
AXIS BANK	Facilities Purpose Cash Credit (CC) Working Capital EPC PSCFC/PCS/PCFC (Sub – Limit of CC) Letter of Credit SBLC for Buyer's Credit For Availment of Buyers Credit Loan Equivalent Risk For covering the forex/ interest rate exposure by way of forwards/ derivative contracts	Facilities Rs. In Lakh Cash Credit (CC) 470 EPC PSCFC/PCS/PCFC (Sub – Limit of CC) (400) Letter of Credit 3500 SBLC for Buyer's Credit (2000) Loan Equivalent Risk 30 Total 4000	<p><b>Primary Security:</b> For Cash Credit: Exclusive charge by way of hypothecation over entire current assets of the Company; present and future.</p> <p>For Letter of Credit: Exclusive Charge on FDR of 25%, issued against LC, Raw Material Purchased Under LC</p> <p>For SBLC Limit: Exclusive Charge on FDR of 25%, issued against the LC Raw Material Purchased Under LC.</p> <p><b>Collateral Security for all facilities:</b> Exclusive charge by way of equitable mortgage over factory land and building located at D-3 151 /58, GIDC Dahej Phase III, Dist. Bharuch owned by Vital Chemtech LLP</p> <p>Exclusive charge by way of hypothecation over entire moveable fixed assets borrower including plant and machinery, equipment etc .. other than "vo" c., hypothecated against auto loans, Exclusive Charge over FD for LC, BG and SBLC Exclusive Charge of the Plant and Machineries, free from Any Charge.</p> <p><b>Personal Guarantees of:</b> Mr. Vipul Bhatt Mrs. Sangeeta Vipul Bhatt</p>	Facilities Rate Cash Credit (CC) Repo Rate +4.00% 8.90% p.a. Presently EPC PSCFC/PCS/PCFC (Sub – Limit of CC) Letter of Credit 0.90% p.a. (inclusive of all charges +GST) SBLC for Buyer's Credit 1.50% p.a. (inclusive of all charges +GST) calculated on monthly basis Loan Equivalent Risk As per Treasury	CC/ EPC PSCFC/PCS/PCFC/ Loan Equivalent Risk -Upto 12 Months Letter of Credit-12 Months/ Max Usance Period upto 90 Days SBLC for Buyer's Credit -12 Months/ Usance upto 120 Days in case of LC Usance	NIL	404.66
ICICI BANK	Car Loan	50.95	Hypothecation on Vehicle. Ownership of this vehicles is in name of promoter.	9.1%, 1st of every month	Repayable on monthly equitable installment for 48 month	NIL	24.76
SIDBI LOAN	Expansion cum Modernization of its Existing Manufacturing Facilities	415.00	<p><b>Primary:</b> 1) First charge by way of hypothecation in favour of SIDBI of alt the Borrower's movables, including the movables, plant, machinery, machinery spares, tools &amp; accessories, office equipments, computers, furniture, and fixtures, MFA, etc.</p> <p><b>Collateral security:</b> 1) Lien in favour of SIDBI over, mutual fund units in demat form, having a minimum Net Asset value of Rs. 85.00 lakh based on the lowest price quoted in the past 52 weeks. The NAV shall be reviewed on quarterly basis, and in case of any shortfall in the same, borrower shall arrange to furnish additional security to meet the said shortfall, to the satisfaction of SIDBI. 2) Disbursement if any, pending creation of security as above shall carry additional interest of 1% p.a. From the date of disbursement.</p> <p><b>Personal Guarantee(s)</b> 1) Irrevocable and unconditional guarantee of shri Vipul Bhatt and Smt. Sangeeta Vipul Bhatt. The guarantee shall be joint and several. No Guarantee commission shall be payable to the Guarantor(s). 2) Borrower shall make out a good and marketable tile to its properties / above properties to the satisfaction of SIDBI and comply with all such formalities as may be necessary or required for the said purpose.</p>	8.90% Per Annum with monthly rests, 10th of every calendar month	60 monthly installments comprising first 59 monthly installments of Rs. 6,92,000/- each followed by 60th monthly installment of Rs. 672000/- after a moratorium of six months from the date of first disbursement of the loan as per the repayment schedule	6 months	355.23

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)	
							31.03.22	
BMW FINANCIAL SERVICES	Car Loan	48.50	Hypothecation of Vehicle. Ownership of this vehicles is in name of promoter	9% ,1st of every month	Repayable on monthly equitable installment for 48 month	NIL	45.81	
Yes Bank Limited	Working Capital	162.64	Loan Against Securities. Against Pledge of SBI Corporate Bond	12.53%	-	-	0.00	
HDFC Bank Limited	Working Capital	4200*	FacilitiesDetails Letter of Credit25% in form of FD SBLC/TL Gift City Cash Credit25 Vo On Stock & 30 % Debtors < 120 Days Pre/Post Shipment 15 % CIF terms & 10 % in FOB Terms PSRNA	FacilitiesRate Letter of Credit0.80% p.a. SBLC/TL Gift City0.90% p.a. Cash Credit8.00% p.a. (3M T-bill + 3.74 Vo) T-bill prevailing on the date of loan booking or limit setting will be applicable Pre/Post Shipment PSR₹200 / Contract	12 Months valid upto June 15, 2023	-	-	
<b>Total</b>								<b>830.46</b>

\* Working Capital Loan from HDFC was availed by our company vide sanction letter dated May 31, 2022.

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.3.3

##### 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)	
							31.03.22	
Vipul Bhatt	Business Loan	NIL	NIL	NIL	On Demand	NIL	1116.68	
Sangeeta Bhatt	Business Loan	NIL	NIL	NIL	On Demand	NIL	356.93	
Jay Bhatt	Business Loan	NIL	NIL	NIL	On Demand	NIL	132.50	
Vipul Bhatt HUF	Business Loan	NIL	NIL	NIL	On Demand	NIL	59.23	
Valentia Synthesis Private Limited	Business Loan	NIL	NIL	NIL	On Demand	NIL	1004.29	
<b>Total</b>								<b>2669.63</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,A,B,C.

## 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, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31,2020
<b>(A) Net Profits After Tax as per audited financial statements (A)</b>	789.82	838.25	301.86	164.01
<b>Add/(Less) : Adjustments on account of -</b>				
1) Prepaid Expenses of P.Y. Transfer to Expenses	0.00	0.00	0.00	0.00
2) Prepaid Expenses of current Year	0.00	0.00	0.00	0.00
3) Provision for Outstanding Expenses Payable	0.00	0.00	0.00	0.00
4) Difference on Account of Calculation in Deferred Tax	-120.50	8.16	-5.24	-44.15
5) Change in Provision for Current Tax	-16.55	-45.51	5.23	5.01
6) Change in Provision of Depreciation	12.04	-12.57	-4.92	-18.28
7) Change in Provision of Gratuity	6.13	-1.33	-3.15	-1.21
8) Change in Provision of Audit Fees	0.00	-2.50	0.00	0.00
<b>Total Adjustments (B)</b>	-118.88	-53.76	-8.08	-58.62
<b>Restated Profit/ (Loss) (A+B)</b>	<b>670.94</b>	<b>784.50</b>	<b>293.78</b>	<b>105.38</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 LLP 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 LLP 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 LLP 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 Restated Financials.

### Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

(Amount in Lakhs except Units in Actual Numbers)				
Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31,2020
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	1,461.88	2,351.38	673.92	372.06
Add/(Less) : Adjustments on account of change in Profit/Loss	-118.88	-1,679.32	-76.40	-68.32
<b>Total Adjustments</b>	<b>-118.88</b>	<b>-1,679.32</b>	<b>-76.40</b>	<b>-68.32</b>
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	1,343.00	672.06	597.52	303.75

**ANNEXURE - F : RESTATED STATEMENT OF TAX SHELTERS**

(Amount in Lakhs except Units in Actual Numbers)

Sr. No	Particulars	As at March 31,2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
<b>A</b>	<b>Restated Profit before tax</b>	1,077.99	1,196.85	470.79	234.52
	Short Term Capital Gain at special rate				
	Normal Corporate Tax Rates (%)	0.25	0.35	0.35	0.35
	Short Term Capital Gain at special rate				
	MAT Tax Rates (%)	0.00	0.16	0.16	0.16
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>				
	Tax on normal profits	271.31	412.91	162.42	81.85
	Short Term Capital Gain at special rate				
	<b>Total</b>	<b>271.31</b>	<b>412.91</b>	<b>162.42</b>	<b>81.85</b>
	<b>Adjustments:</b>				
<b>C</b>	<b>Permanent Differences</b>				
	Deduction allowed under Income Tax Act	0.00	-0.13	-0.50	-10.10
	Exempt Income	0.00	0.00	0.00	0.00
	Allowance of Expenses under the Income Tax Act Section 35	0.00	0.00	0.00	0.00
	Disallowance of Income under the Income Tax Act	0.00	0.00	0.00	0.00
	Disallowance of Expenses under the Income Tax Act	-0.25	-0.83	-0.70	-2.90
	<b>Total Permanent Differences</b>	<b>0.25</b>	<b>0.70</b>	<b>0.20</b>	<b>-7.20</b>
<b>D</b>	<b>Timing Differences</b>				
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	-11.09	-6.17	0.14	0.00
	Provision for Gratuity disallowed	0.00	0.00	0.00	0.00
	Expense disallowed u/s 43B	0.00	0.00	0.00	0.00
	<b>Total Timing Differences</b>	<b>-11.09</b>	<b>-6.17</b>	<b>0.14</b>	<b>0.00</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>-10.84</b>	<b>-5.47</b>	<b>0.34</b>	<b>-7.20</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>-2.73</b>	<b>-1.89</b>	<b>0.12</b>	<b>-2.51</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>1,067.15</b>	<b>1,191.38</b>	<b>471.12</b>	<b>227.32</b>
	Taxable Income/ (Loss) as per MAT	1,077.99	1,196.85	470.79	234.52
<b>I</b>	<b>Income Tax as per normal provision</b>	274.04	414.80	162.31	84.36
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	0.00	186.71	73.44	36.59
	<b>Net Tax Expenses (Higher of I,J)</b>	274.04	414.80	162.31	84.36
<b>K</b>	Relief u/s 90/91	0.00	0.00	0.00	0.00
	<b>Total Current Tax Expenses</b>	<b>274.04</b>	<b>414.80</b>	<b>162.31</b>	<b>84.36</b>
<b>L</b>	Adjustment for Interest on income tax/ others	12.52	5.71	9.46	0.63
	<b>Total Current Tax Expenses</b>	<b>286.55</b>	<b>420.51</b>	<b>171.77</b>	<b>84.99</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 - G : RESTATED STATEMENT OF CAPITALISATION**

<b>(Rs. In Lakhs)</b>			
<b>Sr. No</b>	<b>Particulars</b>	<b>Pre issue</b>	<b>Post issue</b>
	<b>Debts</b>		
A	Long Term Debt*	2,012.62	2,012.62
B	Short Term Debt*	1,487.47	1,487.47
C	<b>Total Debt</b>	<b>3,500.09</b>	<b>3,500.09</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital	672.06	[•]
	Reserves and Surplus	670.94	[•]
D	<b>Total Equity</b>	<b>1,343.00</b>	[•]
	Long Term Debt/ Equity Ratio (A/D)	1.50	[•]
	Total Debt/ Equity Ratio (C/D)	2.61	[•]

Notes :

\* The amounts are considered outstanding as on March 31, 2022

1. Company has allotted 300000 Equity Shares on May 28, 2022 on Right Basis in the ratio of 1: 22 i.e. 1 equity share offered on right basis for every 22 share held on May 28, 2022 for cash price of ₹ 100/- per equity shares.

2. Our Company has allotted 10530900 Bonus Equity Shares on June 13, 2022 in the ratio of 3:2 i.e. 3 bonus equity shares for every 2 equity share held on June 10, 2022.

**ANNEXURE - H : RESTATED STATEMENT OF CONTINGENT LIABILITIES**

(Amount in Lakhs except Units in Actual Numbers)

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
1. LC Discounting for which FDR margin money has been given to the bank as Security	1,090.59	872.78	761.42	541.13
2. Capital Commitment	0.00	0.00	0.00	0.00
3. Income Tax Demand	0.00	0.00	0.00	0.00
4. TDS Demands	0.00	0.00	0.00	0.00
5. ESIC Demand	0.00	0.00	0.00	0.00
<b>Total</b>	<b>1,090.59</b>	<b>872.78</b>	<b>761.42</b>	<b>541.13</b>

**ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS**

(Amount in Lakhs)

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Restated PAT as per P&L Account	670.94	784.50	293.78	105.38
<b>EBITDA</b>	<b>1,148.36</b>	<b>1,312.33</b>	<b>644.19</b>	<b>417.53</b>
<b>Actual No. of Equity Shares outstanding at the end of the period **</b>	<b>67.21</b>	<b>67.21</b>	<b>67.21</b>	<b>67.21</b>
Weighted Average Number of Equity Shares at the end of the Period (Note -2) **	112.01	112.01	112.01	112.01
Net Worth	1,337.32	672.06	597.52	303.75
Current Assets	5,483.37	4,214.38	1,784.60	1,441.20
Current Liabilities	4,569.88	4,036.21	1,613.75	1,160.50
<b>Earnings Per Share</b>				
Basic EPS (Pre Bonus)	9.98	11.67	4.37	1.57
Eps (Post Bonus)	5.99	7.00	2.62	0.94
<b>Return on Net Worth (%)</b>	<b>50.17%</b>	<b>116.73%</b>	<b>49.17%</b>	<b>34.69%</b>
<b>Net Asset Value Per Share</b>				
Pre Bonus	19.90	10.00	8.89	4.52
Post Bonus	11.94	6.00	5.33	2.71
<b>Current Ratio</b>	<b>1.20</b>	<b>1.04</b>	<b>1.11</b>	<b>1.24</b>
<b>EBITDA</b>	<b>1,148.36</b>	<b>1,312.33</b>	<b>644.19</b>	<b>417.53</b>
Nominal Value per Equity share(Rs.)	10.00	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

Our Company was incorporated by conversion from erstwhile firm Vital Chemtech LLP on November 25, 2021. Therefore no of shares outstanding in above table upto November 24, 2021 are calculated by dividing Partners Capital by 10 (being Face of Value of Shares of Company)

**Notes :**

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 year.

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 shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.

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	Vipul Bhatt : Managing Director
	Sangeeta Vipul Bhatt : Wholetime Director (Spouse)
	Jay Bhatt : Wholetime Director (Son)
	Keyaa Vipul Bhatt (Daughter)
	Late Jatashankar Ambalal Bhatt (Father)
	Kumudben Jatashankar Bhatt (Mother)
	Hitesh Jatashankar Bhatt ( Brother)
	Chhaya Akshay Pandya (Sister)
	Ketki Dilip Pandya (Sister)
b) Associate Concerns	Vital Chemicals (Proprietor: Vipul Bhatt)
	Vital Alkoxides Private Limited
	Vital Wellness Private Limited
	Valentia Synthesis Private Limited
	Neo Fine Chemical Industries
	Vital Dye Chem Industries (Vipul Bhatt - HUF)
	Ambica Packaging Industries (Proprietor: Hitesh Bhatt)
	Jay Innovative Solution (Proprietor: Jay Bhatt)
	Shakti Enterprise (Proprietor: Sangeeta Bhatt)
	Vipul Jatashankar Bhatt - HUF ( Karta: Vipul Bhatt)
c) Subsidiary Company	Vital Synthesis Private Limited (Incorporated on April 26, 2022)
<b>Note 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 - 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, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
1. Directors Remuneration	Vipul Bhatt	28.00	0.00	0.00	0.00
	Sangeeta Vipul Bhatt	12.00	0.00	0.00	0.00
	Jay Vipul Bhatt	20.00	0.00	0.00	0.00
<b>Total</b>		<b>60.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
2. Partner Interest	Vipul Bhatt	0.00	32.20	49.00	52.82
	Sangeeta Vipul Bhatt	0.00	13.47	27.22	28.91
	<b>Total</b>	<b>0.00</b>	<b>45.67</b>	<b>76.22</b>	<b>81.74</b>
3. Partner Remuneration	Vipul Bhatt	0.00	495.00	135.00	96.60
	Sangeeta Vipul Bhatt	0.00	330.00	90.00	64.40
	<b>Total</b>	<b>0.00</b>	<b>825.00</b>	<b>225.00</b>	<b>161.00</b>
4. Loan Received (Paid) during the Year to Related Parties	<b>Vipul Bhatt</b>				
	Opening Balance	1,129.72	465.40	482.48	477.56
	Loan Received during the year	915.62	1,663.55	194.43	208.92
	Loan Paid during the year	-928.66	-999.23	-211.51	-204.01
	<b>Closing Balance</b>	<b>1,116.68</b>	<b>1,129.72</b>	<b>465.40</b>	<b>482.48</b>
	<b>Sangeeta Vipul Bhatt</b>				
	Opening Balance	419.45	220.57	277.64	290.84
	Loan Received during the year	209.29	721.39	127.25	113.51
	Loan Paid during the year	-271.81	-522.51	-184.31	-126.71
	<b>Closing Balance</b>	<b>356.93</b>	<b>419.45</b>	<b>220.57</b>	<b>277.64</b>
	<b>Jay Vipul Bhatt</b>				
	Opening Balance	0.00	0.00	5.16	23.54
	Loan Received during the year	137.50	19.12	0.00	1.88
	Loan Paid during the year	-5.00	-19.12	-5.16	-20.26
	<b>Closing Balance</b>	<b>132.50</b>	<b>0.00</b>	<b>0.00</b>	<b>5.16</b>
	<b>Vipul J Bhatt (HUF)</b>				
	Opening Balance	60.39	60.39	0.00	0.00
	Loan Received during the year	1.83	0.00	60.40	0.00
	Loan Paid during the year	-2.98	0.00	-0.01	0.00
	<b>Closing Balance</b>	<b>59.23</b>	<b>60.39</b>	<b>60.39</b>	<b>0.00</b>
<b>Valentia Synthesis Private Limited</b>					
Opening Balance	0.00	0.00	0.00	0.00	
Loan Received during the year	1,504.77	0.00	0.00	0.00	
Loan Paid during the year	-500.48	0.00	0.00	0.00	
<b>Closing Balance</b>	<b>1,004.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
5. Sales	Vital Chemicals	69.36	143.67	331.03	319.85
<b>Total</b>		<b>69.36</b>	<b>143.67</b>	<b>331.03</b>	<b>319.85</b>
6. Purchase	Vital Chemicals	4.38	22.22	41.78	7.23
<b>Total</b>		<b>4.38</b>	<b>22.22</b>	<b>41.78</b>	<b>7.23</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 - J(iii) - Outstanding Balance as at the end of the year					
(Amount in Lakhs except Units in Actual Numbers)					
	Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
1. Payables	Vipul Bhatt	1,116.68	1,129.72	465.40	482.48
	Sangeeta Vipul Bhatt	356.93	419.45	220.57	277.64
	Jay Vipul Bhatt	132.50	0.00	0.00	5.16
	Vipul Bhatt HUF	59.23	60.39	60.39	0.00
	Valentia Synthesis Private Limited	1,004.29	0.00	0.00	0.00
	Vital Chemicals	0.00	30.46	0.00	0.00
<b>Total</b>		<b>2,669.63</b>	<b>1,640.01</b>	<b>746.36</b>	<b>765.28</b>
	Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
2. Receivables	Vital Chemicals	0.00	0.00	28.99	95.35
<b>Total</b>		<b>0.00</b>	<b>0.00</b>	<b>28.99</b>	<b>95.35</b>
	Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
3. Loans and Advances	Jay Vipul Bhatt	0.00	122.32	0.00	0.00
	Vital Chemicals	0.00	0.00	0.00	55.95
<b>Total</b>		<b>0.00</b>	<b>122.32</b>	<b>0.00</b>	<b>55.95</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.					

### OTHER FINANCIAL INFORMATION

Particulars	As at March 31, 2022	As at November 24, 2021	As at March 31, 2021	As at March 31, 2020
Restated PAT as per P& L Account	670.94	784.50	293.78	105.38
<b>EBITDA</b>	1,148.36	1,312.33	644.19	417.53
<b>Actual No. of Equity Shares outstanding at the end of the period *</b>	67.21	67.21	67.21	67.21
Weighted Average Number of Equity Shares at the end of the Period (Note -2) **	112.01	112.01	112.01	112.01
Net Worth	1,337.32	672.06	597.52	303.75
Current Assets	5,483.37	4,214.38	1,784.60	1,441.20
Current Liabilities	4,569.88	4,036.21	1,613.75	1,160.50
<b>Earnings Per Share (Basic &amp; Diluted)</b>				
EPS (Pre-Bonus)	9.98	11.67	4.37	1.57
EPS (Post-Bonus)	5.99	7.00	2.62	0.94
<b>Return on Net Worth (%)</b>	50.17	116.73	49.17	34.69
<b>Net Asset Value Per Share</b>				
Pre-Bonus	19.90	10.00	8.89	4.52
Post-Bonus	11.94	6.00	5.33	2.71
<b>Current Ratio</b>	1.20	1.04	1.11	1.24
<b>EBITDA</b>	1,148.36	1,312.33	644.19	417.53
Nominal Value per Equity share(₹)	10	10	10	10

\* 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.

Our Company was incorporated by conversion from erstwhile firm Vital Chemtech LLP on November 25, 2021. Therefore, number of shares outstanding in above table upto November 24, 2021 are calculated by dividing Partners Capital by 10 (being Face Value of Shares of Company)

\*\* Units are in division of Lakhs for the purpose of Ratio calculations

**Notes:**

1. The ratios have been calculated as below:
  - a) Basic Earnings Per Share (₹) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
  - b) Diluted Earnings Per Share (₹) = 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 (₹) = 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 shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.
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 & –oss) - Preliminary Expenses to the extent not written-off.
5. The figures disclosed above are based on the Restated Financial Information of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled “Risk Factors” beginning on page 24, which discusses a number of 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 Information, 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.

### OVERVIEW:

Our Company was originally incorporated as a private limited company on November 11, 2013, as ‘Rudra Chemtech Private Limited’, under the provisions of the Companies Act, 1956. Subsequently, Our Company was converted to Limited Liability Partnership Firm as ‘Rudra Chemtech Limited Liability Partnership’ having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 on February 12, 2015, under the LLP Act, 2008. Thereafter, on February 20, 2015, name was changed to ‘Vital Chemtech Limited Liability Partnership’ pursuant to Rule 20(3) of the LLP Rules, 2009. Later on, our Limited Liability Partnership was converted to Public Limited Company under section 366 Part I chapter XXI of the Companies Act, 2013 as ‘Vital Chemtech Limited’ and fresh Certificate of Incorporation dated November 25, 2021, was issued by Assistant Registrar of Companies, Ahmedabad. The Corporate Identification Number of our Company is U24299GJ2021PLC127538..

Our Company is engaged in the business of manufacturing of Phosphorus Derivatives Products. Our Company is manufacturer and supplier of Phosphorus base chemicals with highest quality practice and compliant with Highest Environmental, Health, and Safety (EHS) in chemical industry. The company has State of the Art Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) operated in integrated complex in PCPIR region of Dahej, Gujarat, India for manufacturing of phosphorus base chemicals. Manufacturing Facility of our company is having integrated manufacturing facility for manufacturing of phosphorus base chemical. Our manufacturing Facility located in Dahej, Gujarat, has been certified with ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015 from Bureau Veritas to maintain highest quality, environmental and safety practices. Our plant is ZLD (Zero Liquid Discharge) to ensure minimum emissions and waste generation. The state of the art operation ensures organized unflow state of the art manufacturing and supply sustainability to our valued customers.

Presently our company manufactures Phosphorus Trichloride ( $PCl_3$ ), Phosphorus Oxychloride ( $POCl_3$ ), Phosphorus Pentachloride ( $PCl_5$ ), Phosphorus Pentoxide ( $P_2O_5$ ), Poly Phosphoric Acid (PPA) and Phosphorus Pentasulfide ( $P_2S_5$ ) for our customers across segments such as Lifesciences, Crop Care, Specialty Chemicals, Textile Auxillaries, Dyes, Pigments and Plastic Additives. Our company also does trading of its raw Material. Our company is in the process of obtaining approval of Phosphorus Pentasulfide ( $P_2S_5$ ) from our customers.

In the year 2022, Our Company achieved Annual Turnover of more than ₹ 100 Crores.

The financial performance of the company for last three years as per restated financial Statement:

Particulars	For FY 2021-22	(₹ in Lakhs)			
		November 25, 2021 to March 31, 2022	April 01, 2021 to November 24, 2021	FY 2020-21	FY 2019-20
Total income	14,320.25	5,761.46	8,558.80	4,739.65	4,115.98
EBITDA	2,460.68	1,148.36	1,312.33	644.19	417.53
EBITDA %	17.18	19.93	15.33	13.59	10.14
PAT	1,455.44	670.94	784.50	293.78	105.38
PAT %	10.16	11.65	9.17	6.20	2.53
Debt to Equity	2.61	2.61	2.43	1.68	3.14

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE BALANCE SHEET:

After the date of last Audited accounts i.e. March 31, 2022, the Directors of our Company confirm that, there have not been any significant material developments except as stated below;

- Our company has Incorporated M/s Vital Synthesis Private Limited on April 26, 2022. Our company is holding 99% no of equity shares of Vital Synthesis Private Limited making it as subsidiary of our company.
- Our company has allotted 300000 equity shares on Right basis on May 28, 2022 in the ratio of 1:22 i.e. 1 Equity Shares for every 22 Equity Share held on May 28, 2022 for cash price of ₹ 100 each.

- Our company has allotted 10530900 Bonus Equity Shares on June 13, 2022 in the ratio of 3:2 i.e. 3 Equity Shares for every 2 Equity Shares held on June 10, 2022.
- Board of Directors of the Company has approved in their meeting held on June 28, 2022 issue of upto 6400000 equity shares as Initial Public issue which was subsequently approved by members of the company in the extra-ordinary general meeting held on June 30, 2022.
- Our Company has been sanctioned working capital of ₹ 4200 Lakhs loan by HDFC Bank Limited vide sanction letter dated May 31, 2022.

#### FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:

Our Company's future results of operations could be affected potentially by the following factors:

- COVID-19 Pandemic;
- Political Stability of the Country;
- World Economy;
- Government Regulation & Policies;
- Competition from existing players;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- Dependency on our end customers;
- Disruption in supply of Raw Materials and Labour Supply at our facilities;
- Occurrence of Environmental Problems & Uninsured Losses;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- The performance of the financial markets in India and Globally;
- Our ability to expand our geographical area of Operation;
- Concentration of ownership among our Promoter.

#### OUR SIGNIFICANT ACCOUNTING POLICIES:

For Significant accounting policies please refer Significant Accounting Policies and Notes to accounts, "Annexure D" beginning under Chapter titled "Restated Financial Information" beginning on page 160 of the Draft Red Herring Prospectus.

#### FINANCIAL PERFORMANCE OF THE YEAR ENDED FOR THE PERIOD ENDED ON MARCH 31, 2022

(₹ In Lakhs)

	November 25, 2021 to March 31, 2022	%	April 01, 2021 to November 24, 2021	%
<b>Income from continuing operations</b>				
Revenue from operations	5,761.46	99.56	8,558.80	99.47
Other Income	25.51	0.44	45.47	0.53
<b>Total Revenue</b>	<b>5,786.96</b>	<b>100.00</b>	<b>8,604.27</b>	<b>100.00</b>
<b>Expenses</b>				
Cost of Material Consumed	3,810.62	65.85	3,737.74	43.44
Changes in Inventories of finished goods, work in progress and stock -in-trade	(33.61)	-0.58	(187.97)	-2.18
Employee benefits expense	122.77	2.12	929.59	10.80
Finance Costs	38.31	0.66	82.24	0.96
Depreciation and amortisation expenses	57.57	0.99	78.71	0.91
Other expenses	713.32	12.33	2,767.10	32.16
<b>Total Expenses</b>	<b>4,708.97</b>	<b>81.37</b>	<b>7,407.42</b>	<b>86.09</b>

	November 25, 2021 to March 31, 2022	%	April 01, 2021 to November 24, 2021	%
<b>Income from continuing operations</b>				
Restated profit before tax before exceptional and Extraordinary Items.	1,077.99	18.63	1,196.85	13.91
Exceptional Item				
Total tax expense	407.05	7.03	412.35	4.79
Restated profit after tax from continuing operations	670.94	11.59	784.50	9.12

#### DISCLOSURE OF THE PERIOD NOVEMBER 25, 2021 TO MARCH 31, 2022:

##### Total Revenue

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives. The total income from November 25, 2021 to March 31, 2022 was ₹ 5,786.96 Lakh which includes revenue from operations amounting to ₹ 5,761.46 Lakh and Other Income of ₹ 25.51 Lakh.

Revenue from Operations mainly includes sales from manufacturing of Goods on contract basis, Trading of Raw Materials and other operating income such as Lifting Charges.

The other mainly income includes income from exchange rate fluctuations, Kasar / Discount Income and Interest Income.

##### Expenditure:

##### Cost of Material Consumed

The Cost of Material Consumed was ₹ 3,810.62 Lakh from November 25, 2021 to March 31, 2022 which is 65.85% of the Total Revenue.

##### Changes in Inventories of finished goods and Work-in Progress

The Changes in Inventories of finished goods was (33.61) Lakh from November 25, 2021 to March 31, 2022 which is (0.58)% of the Total Revenue.

##### Employee Benefit Expenses

Employee Benefit expenses was ₹ 122.77 Lakhs from November 25, 2021 to March 31, 2022. The Employee Benefit expense was 2.12% of Total Revenue. Employee Benefit Expenses mainly includes Salary Expenses, Contribution to Statutory Funds, Gratuity Expenses, Contribution to Provident Fund, Director Remuneration and Staff Welfare Expenses.

##### Finance Costs

Finance Costs from November 25, 2021 to March 31, 2022 was ₹ 38.31 Lakh which is 0.66% of Total Revenue. Finance Cost Mainly Includes Interest cost on borrowings and Other Finance Charges.

##### Depreciation and amortisation expense

Depreciation and amortisation expense from November 25, 2021 to March 31, 2022 was ₹ 57.57 Lakhs which is 0.99% of Total Revenue.

##### Other Expenses

Other Expenses were ₹ 713.32 Lakh from November 25, 2021 to March 31, 2022. The Other expense was 12.33% of Total Revenue.

Other expense mainly includes Factory Expenses, Freight & Transport Expenses, Sales Promotional Expense, Power & Fuel, Repair & Maintenance, Legal & Professional Expenses etc....

##### Restated profit before tax from continuing operations

Profit before Tax from November 25, 2021 to March 31, 2022 stood at ₹ 1,077.99 Lakh. During this period, our Company recorded Profit before Tax margin of 18.63% of Total Revenue.

##### Restated profit after tax from continuing operations

Profit after Tax from November 25, 2021 to March 31, 2022 stood at ₹ 670.94 Lakh. During this period, our Company recorded Profit after Tax margin of 11.59% of Total Revenue.

#### DISCLOSURE OF THE PERIOD APRIL 01, 2021 TO NOVEMBER 24, 2021:

## Total Revenue

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives. The total income from April 01, 2021 to November 24, 2021 was ₹ 8,604.27 Lakh which includes revenue from operations amounting to ₹ 8,558.80 Lakh and Other Income of ₹ 45.47 Lakh.

Revenue from Operations mainly includes sales from manufacturing of Goods on contract basis, Trading of Raw Materials and other operating income such as Freight Outward Income.

The other mainly income includes income from Fixed Deposit and Interest on late payment from customers.

## Expenditure:

### Cost of Material Consumed

The Cost of Material Consumed was ₹ 3,737.74 Lakh from April 01, 2021 to November 24, 2021 which is 43.44% of the Total Revenue.

### Changes in Inventories of finished goods and Work-in Progress

The Changes in Inventories of finished goods was (187.97) Lakh from April 01, 2021 to November 24, 2021 which is (2.18)% of the Total Revenue.

### Employee Benefit Expenses

Employee Benefit expenses was ₹ 929.59 Lakhs from April 01, 2021 to November 24, 2021. The Employee Benefit expense was 10.80% of Total Revenue. Employee Benefit Expenses mainly includes Salary Expenses, Contribution to Statutory Funds, Gratuity Expenses, Contribution to Provident Fund, Partners Remuneration and Staff Welfare Expenses.

### Finance Costs

Finance Costs from April 01, 2021 to November 24, 2021 was ₹ 82.24 Lakh which is 0.96% of Total Revenue. Finance Cost Mainly Includes Interest cost on borrowings and Other Finance Charges.

### Depreciation and amortisation expense

Depreciation and amortisation expense from April 01, 2021 to November 24, 2021 was ₹ 78.71 Lakhs which is 0.91% of Total Revenue.

### Other Expenses

Other Expenses were ₹ 2,767.10 Lakh from April 01, 2021 to November 24, 2021. The Other expense was 32.16% of Total Revenue.

Other expense mainly includes Sales Commission, Labour Charges, Factory Expenses, Freight & Transport Expenses, import expenses, Advertisement Expenses Sales Promotional Expense, Power & Fuel, Repair & Maintenance, Legal & Professional Expenses etc...

### Restated profit before tax from continuing operations

Profit before Tax from April 01, 2021 to November 24, 2021 stood at ₹ 1,196.85 Lakh. During this period, our Company recorded Profit before Tax margin of 13.91% of Total Revenue.

### Restated profit after tax from continuing operations

Profit after Tax from April 01, 2021 to November 24, 2021 stood at ₹ 784.50 Lakh. During this period, our Company recorded Profit after Tax margin of 9.12% of Total Revenue.

## COMPARISON OF FY 2020-21 WITH FY 2019-20:

(₹ In Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	4739.65	4115.98
<b>Total Revenue from Operation</b>	<b>4,739.65</b>	<b>4,115.98</b>
% of growth	15.15%	-
Other Income	28.81	45.26
% of growth	-36.35%	-

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Total income</b>	<b>4,768.46</b>	<b>4,161.24</b>
% of growth	14.59%	-
<b>Expenses</b>		
Cost of Material Consumed	3,115.39	2,882.89
% Increase/(Decrease)	8.07%	-
Changes in Inventories of finished goods, work in progress and stock - in-trade	27.59	-28.25
Employee benefits expense	279.32	194.83
% Increase/(Decrease)	43.37%	-
Finance Costs	110.33	139.30
% Increase/(Decrease)	-20.80%	-
Depreciation and amortisation expenses	91.88	88.97
% Increase/(Decrease)	3.28%	-
Other expenses	673.15	648.99
% Increase/(Decrease)	3.72%	-
<b>Total Expenses</b>	<b>4,297.67</b>	<b>3,926.72</b>
% to total revenue	90.13%	94.36%
Profit/(Loss) Before Extra Ordinary Items and Tax	<b>470.79</b>	<b>234.52</b>
% to total revenue	9.87%	5.64%
Exceptional Items	0.00	0.00
Profit before Tax	470.79	234.52
Total tax expense	177.01	129.14
Profit and Loss after tax for the Year as Restated	293.78	105.38
% to total revenue	6.16%	2.53%
<b>Profit and Loss for the period as Restated</b>	<b>293.78</b>	<b>105.38</b>
<b>% Increase/(Decrease)</b>	<b>178.77%</b>	

### Income from Operations

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives. The total revenue from operations for the FY 2020-21 was ₹ 4739.65 Lakh as compared to ₹ 4115.98 Lakh during the FY 2019-20 showing an increase of 15.15%. Income from Operations increased mainly on account increase in sales volume of Products of our company. Revenue from operations mainly includes income from manufacturing of goods, trading of raw material and other non-operating income such as lifting charges, freight outwards income and Job work Income.

Other Income was ₹ 28.81 Lakhs for FY 2020-21 and Other Income was ₹ 45.26 Lakhs for FY 2019-20. Other Income Mainly includes Interest Income from Fixed Deposit and income from foreign exchange fluctuation. Other Income was reduced by 36.35% for FY 2020-21 mainly on account of reduction in foreign exchange fluctuation.

### Expenditure:

#### Cost of Material Consumed:

Cost of Material Consumed for FY 2020-21 was ₹ 3,115.39 Lakhs as against ₹ 2,882.89 Lakh for the FY 2019-20. Cost of material consumed increased by 150.30% in FY 2020-21 due to increase in the turnover of the Company.

#### Employee Benefit Expenses

Employee Benefit expenses increased from ₹ 194.83 Lakh for FY 2019-20 to ₹ 279.32 Lakh for FY 2020-21 showing an increase of 43.37% over previous year, i.e. F.Y. 2019-20. Employee Benefit Expenses mainly includes Salary Expenses, Contribution to Statutory Funds, Gratuity Expenses, Contribution to Provident Fund, Partners Remuneration and Staff Welfare Expenses.

#### Finance Cost

Finance cost decreased from ₹ 139.30 Lakh in FY 2019-20 to ₹ 110.33 Lakh in FY 2020-21 showing decrease of 20.80%. Finance Cost Mainly Includes Interest cost on borrowings and Other Finance Charges.

### Depreciation

The Depreciation and amortization expense for FY 2020-21 was ₹ 91.88 Lakh as compared to ₹ 88.97 Lakh for FY 2019-20 which is increase of 3.28%.

### Other Expenses

Other Expenses increased from ₹ 648.99 Lakh for FY 2019-20 to ₹ 673.15 Lakh for FY 2020-21 showing an increase of 3.72%.

Other expense mainly includes Sales Commission, Labour Charges, Insurance Expenses, Consumable Expenses, Factory Expenses, Freight & Transport Expenses, import expenses, Advertisement Expenses Sales Promotional Expense, Power & Fuel, Repair & Maintenance, Legal & Professional Expenses etc.

### Profit before Extra-Ordinary Items and Tax

The Profit before Extra-Ordinary Items and Tax for the FY 2020-21 was 9.87% of the total income and it was 5.64% of total income for the FY 2019-20. The Profit before Extra-Ordinary Items and Tax has increased from ₹ 234.52 Lakh in FY 2019-20 to ₹ 470.79 Lakh.

### Profit after Tax (PAT)

PAT increased from ₹ 105.38 Lakh in the FY 2019-20 to ₹ 293.78 Lakh in FY 2020-21 showing increase of 178.77%.

## RELATED PARTY TRANSACTIONS

For further information please refer “Annexure – J (ii) - Related Party Transaction” under section “Restated Financial Information” beginning from page no. 160 of this Draft Red Herring Prospectus.

## FINANCIAL MARKET RISKS

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

### INTEREST RATE RISK

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

### EFFECT OF INFLATION

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

## INFORMATION REQUIRED AS PER ITEM (2) (C) (I) (11) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS, 2018:

### Factors that may affect the results of the operations:

#### 1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as “unusual” or “infrequent”.

#### 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 no. 24 of the Draft Red Herring Prospectus. To our knowledge, except as we have described in the Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

#### 3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page no. 24 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.

#### 4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and other economic factor.

**5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Increases in revenues are by and large linked to launch of new products and increase in volume of business.

**6. Total turnover of each major industry segment in which the issuer company operated.**

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives . Relevant Industry data, as available, has been included in the chapter titled "*Industry Overview*" beginning on page no. 86 of this Draft Red Herring Prospectus.

**7. Status of any publicly announced new products or business segment.**

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives. Currently our company has not launched any new product publicly .

**8. The extent to which business is seasonal.**

Our Company is engaged in the business of Manufacturing of Phosphorus Derivatives and business of our company is not seasonal and demand and supply of our products are market driven.

**9. Any significant dependence on a single or few suppliers or customers.**

Our top ten customers Contributes 36.23%, 39.37%, 39.81% and 41.75% of our total sales for the period ended on March 31, 2022 from November 25, 2021, November 24, 2021 from April 01, 2021 and for the year ended March 31, 2021, and 2020 respectively.

Further Our top ten suppliers (including goods imported from various countries) contributes 98.05%, 90.15%, 91.35% and 95.89% of our total purchase of our product/supplies for the period ended on March 31, 2022 from November 25, 2021, November 24, 2021 from April 01, 2021 and for the year ended March 31, 2021, and 2020 respectively.

**10. Competitive conditions:**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titles "Business Overview" beginning on page no. of this Draft Red Herring Prospectus.

### CAPITALISATOIN STATEMENT

(₹ In Lakhs)

Sr. No	Particulars	Pre issue*	Post issue
	<b>Debts</b>		
A	Long Term Debt	2,012.62	2,012.62
B	Short Term Debt	1,487.47	1,487.47
C	<b>Total Debt</b>	<b>3,500.09</b>	<b>3,500.09</b>
	<b>Equity Shareholders Funds</b>		[•]
	Equity Share Capital	672.06	[•]
	Reserves and Surplus	670.94	[•]
D	<b>Total Equity</b>	<b>1,343.00</b>	[•]
	Long Term Debt/ Equity Ratio (A/D)	1.50	[•]
	Total Debt/ Equity Ratio (C/D)	2.61	[•]
Notes:			

\* The amounts are considered as outstanding as on March 31, 2022

1. Company has allotted 300000 Equity Shares on May 28, 2022 on Right Basis in the ratio of 1: 22 i.e. 1 equity share offered on right basis for every 22 share held on May 28, 2022 for cash price of ₹ 100/- per equity shares.
2. Our Company has allotted 10530900 Bonus Equity Shares on June 13, 2022 in the ratio of 3:2 i.e. 3 bonus equity shares for every 2 equity share held on June 10, 2022.

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoter or Group Company. Our Board, in its meeting held on June 28, 2022, determined that all pending litigation involving our Company, holding, Subsidiary, Directors, Promoter and Group Company, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of the Profit after tax of the company as per the last audited financial statements ("Material Litigation").*

*As per the materiality policy adopted by the Board of our Company in its meeting held on July 01, 2022, creditors of our Company The outstanding dues to creditors in excess of 5% Company's trade payables for the last audited financial statement being ₹ 137.08 Lakhs, will be considered material. 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 Regulations have been disclosed on our website at [www.vitalgroup.co.in](http://www.vitalgroup.co.in).*

*It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, [www.vitalgroup.co.in](http://www.vitalgroup.co.in) would be doing so at their own risk.*

*Our Company, Directors, Promoter and Group Company are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.*

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

###### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

###### **3) Disciplinary Actions by Authorities**

NIL

###### **4) Litigation involving Tax Liability**

Indirect Tax – NIL

Direct Tax: NIL

###### **5) Other Pending Litigation based on Materiality Policy of our Company**

**M/s. Adifab Industries Private Limited (hereinafter referred to as the Petitioner) V/s. M/s. Vital Chemtech LLP and its partners Mr. Vipul Jatashanker Bhatt, Mr. Jay Vipul Bhatt, Mrs. Sangeeta Vipul Bhatt and Ms. Keyaa Vipul Bhatt (hereinafter referred to as "the Defendants") (special suit no. 8/2022 filed in the Court of Civil Judge (S.D) Thane)**

As claimed by the plaintiff a purchase order no. 050/21-22 dated 19.08.2021 and no. 044/21-22 dated 31.07.2021 for supply of for 20 MT and 30 MT of certain goods, was placed by it with the defendant. The defendant however supplied only around 30 MT. of the ordered quantities. The plaintiff later served a notice dated 06.10.2021 through their advocate, to the defendant for supply of the remaining quantity as agreed under the purchase order, to which, the defendant did not adhere and served a counter reply, requiring the plaintiff to pay previous dues. The plaintiff was however constrained to purchase the remaining quantity of the ordered quantity of the goods from other parties and was accordingly required to pay higher amounts as agreed with the defendant under the purchase order. Aggrieved by this, the plaintiff served a notice to the defendant requiring it to pay the difference amount which would otherwise have not been incurred by the plaintiff had the supplies been made by the defendant, on time and accordingly filed the present suit for recovery of the difference amount of ₹ 29,83,058.91. The same is pending with the concerned authority for adjudication.

## **B. CASES FILED BY OUR COMPANY**

### **1) Litigation involving Criminal Laws**

NIL

### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### **3) Disciplinary Actions by Authorities**

NIL

### **4) Litigation involving Tax Liability**

NIL

### **5) Other Pending Litigation based on Materiality Policy of our Company**

**M/s. Vital Chemtech Limited (earlier known as Vital Chemtech Limited Liability Partnership) (hereinafter referred to as the Petitioner) V/s. M/s. Adifab Industries Private Limited (hereinafter referred to as the Respondent)**

A petition bearing no. UDYAM-GJ-01-0011086/S/00001 dated 29.12.2021, has been filed by M/s. Vital Chemtech Limited (earlier known as Vital Chemtech LLP) (hereinafter referred to as the Petitioner) against M/s. Adifab Industries Private Limited (hereinafter referred to as the Respondent) for recovery of operational dues of an amount of ₹ 38,97,189/- (₹ 37,75,887/- being principal amount and ₹ 1,21,302/- being compound interest @18%) with Micro and Small Enterprises Facilitation Council (MSEFC) and the same is pending for adjudication.

## **PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

### **A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

#### **1) Litigation involving Criminal Laws**

NIL

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Disciplinary Actions by Authorities**

NIL

#### **4) Litigation involving Tax Liability**

NIL

#### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

### **B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

#### **1) Litigation involving Criminal Laws**

NIL

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Disciplinary Actions by Authorities**

NIL

#### **4) Litigation involving Tax Liability**

NIL

#### **5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

## **PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES**

**A. LITIGATION AGAINST OUR SUBSIDIARIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR SUBSIDIARIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 162 there have been no material developments that have occurred after the Last Balance Sheet Date.

**OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Details of the Creditors outstanding amount as on March 31, 2022:-

<b>Name</b>	<b>No of Creditors</b>	<b>Balance as on March 31, 2022 (₹ in Lakhs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	24	264.38
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	43	2,477.17

## GOVERNMENT APPROVALS

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of Incorporation dated November 11, 2013 from the Registrar of Companies, Gujarat, Dadra and Nagar Havelli under the Companies Act, 1956 as "RUDRA CHEMTECH PRIVATE LIMITED" (Corporate Identification No.: U24100GJ2013PTC077446).
2. Fresh Certificate of Incorporation dated February 12, 2015 pursuant to conversion of the Company from RUDRA CHEMTECH PRIVATE LIMITED to RUDRA CHEMTECH LIMITED LIABILITY PARTNERSHIP bearing registration no. AAD-3570 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
3. Fresh Certificate of Incorporation dated February 20, 2015 pursuant to Change of the Name of the LLP from RUDRA CHEMTECH LIMITED LIABILITY PARTNERSHIP to VITAL CHEMTECH LIMITED LIABILITY PARTNERSHIP, bearing registration no. AAD-3570 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
4. Fresh Certificate of Incorporation dated November 25, 2021 pursuant to Change of the Name of the LLP from VITAL CHEMTECH LIMITED LIABILITY PARTNERSHIP to VITAL CHEMTECH LIMITED, bearing registration no. U24299GJ2021PLC127538 issued by the Registrar of Companies, Central Registration Centre.

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on June 28, 2022 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated June 30, 2022 under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.

### **Approvals from Stock Exchange**

1. Our Company has received in-principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the offer.

### **Other Approvals**

1. The Company has entered into an agreement dated March 22, 2022 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated March 21, 2022 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Skyline Financial Services Private Limited, for the dematerialization of its shares.

### Approvals/Licenses/Permissions in relation to our Business

#### *Tax Related Approvals*

Sr. No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	NA	AAICV4201F	Income Tax Department	November 25, 2021	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	--	AHMV10556A	Income Tax Department	November 25, 2021	Valid till Cancelled
3.	GST Registration Certificate	<p><b>Principal Place:</b> B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015</p> <p><b>Additional Place:</b> 1. Plot No. D3, 151 and 158, GIDC Estate, Dahej III, Village Vav, Taluko Vagra, Bharuch, Gujarat-392130</p>	24AAICV4201F1 ZQ	Goods and Services Tax department	November 25, 2021	Valid till Cancelled
4.	Professions Tax Enrolment certificate	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	PEC0107500026 24	Amdavad Municipal Corporation, Profession Tax Department	July 08, 2022	Valid till Cancelled
5.	Professions Tax Registration certificate	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	PRC0107500006 52	Amdavad Municipal Corporation, Profession Tax Department	July 08, 2022	Valid till Cancelled

#### *Registrations related to Labour Laws:*

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Certificate	B-406, Mondeal Heights, Opp. Karnavati Club, Satellite, S G Road, Ahmedabad	UDYAM-GJ-01-0011086	Ministry of Micro Small & Medium Enterprises, Gujarat	September 07, 2020	Valid till Cancelled
2.	Provisional Order Under Section 9 of the Boilers Act, 1923	Plot No. D3, 151 & 158, GIDC Estate, Dahej III, Taluko Vagra,	CA022021-20220002866	Director of Boilers, Gujarat State, Ahmedabad	March 06, 2022	September 05, 2022

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
		Dis-Bharuch, Gujarat-392130				
3.	Factory License	Plot No. D-3/151 & 158, GIDC, Dahej, Vagra, Dist.: Bharuch, Gujarat	Registration No. 923/24299/2015 License No. 21808	Directorate of Industrial Safety and Health, Gujarat State	August 01, 2015	December 31, 2024

**Business Specific Registrations:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	ISO 9001:2015 Quality Management System for Marketing, Manufacturing and Dispatch of Phosphorus Derivatives	406, Block-B, 4 <sup>th</sup> Floor, Mondeal Heights, NR Panchratna Party Plot, S.G. Highway, Ahmedabad-380015	Q/2812211633	Optimum Certifications Inc.	December 01, 2021	November 31, 2024
2.	ISO 14001:2015 Environmental Management System for Marketing, Manufacturing and Dispatch of Phosphorus Derivatives	406, Block-B, 4 <sup>th</sup> Floor, Mondeal Heights, NR Panchratna Party Plot, S.G. Highway, Ahmedabad-380015	EMS/281221135	Optimum Certifications Inc.	December 01, 2021	November 31, 2024
3.	ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018 Quality Management System for Marketing, Manufacturing and Dispatch of Phosphorus Derivatives	406, Block-B, 4 <sup>th</sup> Floor, Mondeal Heights, NR Panchratna Party Plot, S.G. Highway, Ahmedabad-380015	IND.21.7809/IM/U	Bureau Veritas Certification	January 16, 2018	March 09, 2022
4.	Consolidated Consent and Authorization from Gujarat Pollution Control Board under: Water Act, 1974 Air Act, 1981 Environment Protection Act, 1986	Plot No. D-3/151 & 158, GIDC, Dahej-3, Tal: Vagra, Dist.: Bharuch, Gujarat	GPCB/BRCH-B/CCA-179(4)/ID-44854/659614	Gujarat Pollution Control Board	April 18, 2022	February 14, 2026
5.	K-Reach	--	04-2205-01174	Sustainability support services Korea Ltd.	May 18, 2022	December 31, 2022

**Other Registrations:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	RCMC (Registration-Cum-Membership Certificate)	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	CHEM/AHD/V141/SSM-ME/P-II18-19/1877	CHEMEXCIL Basic Chemicals, Cosmetics & Dyes Export Promotion Council	August 07, 2018	March 31, 2023
2.	IEC (Import Export Code)	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	0814028667	Government of India, Ministry of Commerce and Industry, Directorate General of Foreign Trade	March 23, 2015	Valid till Cancelled
3.	Self sealing permission	Plot No. D-3/151 & 158, GIDC, Dahej, Vagra, Dist.: Bharuch, Gujarat	288/CUS/AHD/2018-19	Office of the Principal Commissioner of Customs	October 17, 2018	Valid till cancelled
4.	LEI (Legal Entity Identifier)	-	335800ILC78PRID95F06	Legal Entity Identifier India Limited	-	April 29, 2023
5.	Certificate of Verification issued under the Standards of Weights & Measures Act	Plot No. D3, 151 and 158, GIDC Estate, Dahej III, Village Vav, Taluka-Vagra, Bharuch, Gujarat-392130	Certificate no. 2330790/BHA/2022/21	Office of Controller, Legal Metrology, Gujarat State	July 02, 2022	July 02, 2023
6.	AEO (Authorized Economic Operator MSME Certificate)	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	INAAMFV3660M1F213	Central Board of Indirect Taxes and Customs	June 04, 2021	June 03, 2024

**Registrations Ongoing in the name of Erstwhile LLP viz. VITAL CHEMTECH LLP:**

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under the Employees Provident fund (EPF)	308, Shalin Complex, Krishna Baug, Maninagar, Ahmedabad	10000064618VAT	Employees' Provident Fund Organization, Regional	November 28, 2017	Valid till Cancelled

Sr. No.	Description	Address	License Number	Issuing Authority	Date of issue	Date of Expiry
				Office, Ahmedabad		
2.	Membership Certificate for Common Solid Waste Disposal Facility	Plot No. D-3/151 & 158, GIDC, Dahej, Vagra, Dist.: Bharuch, Gujarat	OTH/760	BEIL Infrastructure Limited	February 15, 2020	Valid Till Cancelled
4.	License for store of Compressed Gas in Cylinders (for Liquid Oxygen)	Plot No. D-3/151 & 158, GIDC, Dahej, Vagra, Dist.: Bharuch, Gujarat	S/HO/GJ/03/1863 (S76540)	Dy. Chief Controller of Explosives, Vadodara Under provisions of Explosives Act, 1884 and rules made thereunder	September 16, 2019	September 30, 2024
5.	NOC from concerned fire and safety departments	Plot No. D-3/151 & 158, GIDC, Dahej, Vagra, Dist.: Bharuch, Gujarat	RFO-SFPS/F.NO. - 1618/NOC-industries	Regional Fire officer, Gujarat State Fire Prevention Services	July 22, 2021	July 22, 2022

#### Trademark

Sr. No.	Brand Name/Logo Trademark	Class	Registration / Application No.	Applicant	Date of Application	Current Status
1.		1	5535672	VITAL CHEMTECH LIMITED	July 19, 2022	Formalities Chk Pass

#### Domain Name

Sr. No	Domain Name and ID	Registry Domain ID	Registrant Name and ID	Creation Date	Registry Expiry Date
1.	Vitalgroup.co.in	D407ADD6A103F4866B0580F5D5221B8F2-IN	<b>Registrar:</b> Endurance Digital Domain Technology LLP <b>ID-</b> 801217	December 09, 2021	December 09, 2022

#### Applications Pending approval of respective authority

Sr. No.	Description	Address	Application number	Issuing Authority	Date of Application	Purpose
1.	Registration under the Employees Provident fund (EPF)	B-406, Mondeal Heights, Opp. Kanavati Club, S.G. Road -380015	IR02307014	Regional Provident Fund Commissioner, VATWA	July 02, 2022	Amendment of name and address from VITAL CHEMTECH LLP to VITAL

Sr. No.	Description	Address	Application number	Issuing Authority	Date of Application	Purpose
						CHEMTECH LIMITED
2.	Gujarat Shops and Establishment Act,1948	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	387-08/07/2022	Amdavad Municipal Corporation, Gujarat Shops and Establishment	July 07, 2022	Intimation application of existence and commencement of business
3.	IS 4581:2021 Bureau of Indian Standards	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	71000322	Bureau of Indian Standards	July 28, 2022	Registration of Standard Quality for Phosphorous Trichloride
4.	IS 11744:2020 Bureau of Indian Standards	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	71000321	Bureau of Indian Standards	July 28, 2022	Registration of Standard Quality for Phosphorous Pentachloride
5.	IS 11657:2020 Bureau of Indian Standards	B-406, Mondeal Heights, Opp. Karnavati Club, S.G. Highway, Ahmedabad, Gujarat-380015	71000320	Bureau of Indian Standards	July 28, 2022	Registration of Standard Quality for Phosphorous Oxychloride

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES / ENTITIES

The definition of “Group Companies/Entities” pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board. Pursuant to a Board resolution dated July 01, 2022 our Board has identified companies/entities with which there were related party transactions, during the period for which financial information is disclosed and formulated a policy to identify other companies which are considered material to be identified as group companies/entities, pursuant to which the following entities are identified as Group Companies/Entities of our Company.

1. Valentia Synthesis Private Limited
2. Vital Chemicals
3. Vipul Jatashanker Bhatt – HUF

Except as stated above, there are no companies/entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies/entities.

### 1. VALENTIA SYNTHESIS PRIVATE LIMITED

#### Brief Corporate Information

Valentia Synthesis Private Limited (VSPL) is a private company incorporated under the provisions of Companies Act, 2013 and it has received the certificate of incorporation on November 18, 2021. Presently, registered office of VSPL is situated at B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad-380015. The Corporate Identification number of VSPL is U24304GJ2021PTC127410.

#### Current Nature of Activities

To carry on the business in India or elsewhere manufacture, buy, sell, import, export, produce, refine, formulate and deal in chemical, chemical compounds, industrial chemicals, scientific chemicals, chemical products, acids, alkalies, petrochemicals, chemical medicines, drugs, pharmaceuticals, antibiotics, tannin, tannin extracts, essences, solvents, dyes, dye stuff, intermediate, paints, varnishes, disinfectants, insecticides, fungicides, deodorants, bio-chemicals and sizing, bleaching and photographic materials.

#### Board of Directors

As on date of this Draft Red Herring Prospectus, the following are the Board of Directors of the VSPL: -

Sr. No.	Name of the Designated Partners	Designation	DIN
1.	Mr. Jay Vipul Bhatt	Director	09363173
2.	Ms. Keyaa Vipul Bhatt	Director	09405769

#### List of Shareholders

Sr. No.	Name of the Designation Partners	Capital	Interest (%)
1.	Mr. Jay Vipul Bhatt	5000	50
2.	Ms. Keyaa Vipul Bhatt	5000	50
	<b>Total</b>	<b>10000</b>	<b>100</b>

### 2. Vital Chemicals

Vital Chemicals is a Proprietary Firm of our promoter Mr. Vipul Jatashanker Bhatt started in the year 1993. It is mainly engaged in the business of trading of various industrial chemicals for various applications such as water treatment, textile, dyes, pharma and food industries.

#### Financial Performance

Particulars	(₹ in Lakhs)		
	March 31, 2021	March 31, 2020	March 31, 2019
Total Sales	1,553.85	1,723.38	1,836.42
Total expenditure	1,502.16	1,683.05	1,815.13
Profit/ (Loss) for the period	51.69	40.34	21.29

### 3. VIPUL JATASHANKER BHATT – HUF

Vipul Jatashanker Bhatt-HUF was constituted on April 15, 2007. The Karta of Vipul Jatashanker Bhatt (HUF) is Mr. Vipul Jatashanker Bhatt.

As on the date of filling the Draft Red Herring Prospectus, the following are the members of Vipul Jatashanker Bhatt (HUF)

Sr. No.	Name	Relation	Designation
1.	Mr. Vipul Jatashanker Bhatt	Self	Karta
2.	Mrs. Sangeeta Vipul Bhatt	Wife	Coparcener
3.	Mr. Jay Vipul Bhatt	Son	Member
4.	Ms. Keyaa Vipul Bhatt	Daughter	Member

### PENDING LITIGATIONS

There is no pending litigation involving any of the above-mentioned group companies/entities, which has a material impact on our company. However, for details of Outstanding Litigation against our Company and Group Companies/Entities, please refer to Chapter titled “*Outstanding Litigations and Material Developments*” on the Page no. 170 of this Draft Red Herring Prospectus.

### GENERAL DISCLOSURE

- None of our Group Entities whose Securities are listed on any stock exchange nor any of the Group Entity has made any public and/or rights issue of securities in the preceding three years.
- None of the above-mentioned Group Companies/Entities is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies/Entities.
- Our Group Entity has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Entity has not been identified as a Willful Defaulter or Fraudulent Borrower.

### COMMON PURSUITS

Except for Vital Chemicals, none of group Group Companies/Entities are similar line of business. The details of group companies which are in same/similar line of business activities, as carried out by our Company, are stated below;

**1. Vital Chemicals:** It is mainly engaged in the business of trading of various industrial chemicals for various applications such as water treatment, textile, dyes, pharma and food industries.

**Justification:** Vital Chemicals is engaged in business that is being carried out by our Company also and we do not have any noncompete agreement/arrangement with any of our Group Entities. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

### BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANIES/ENTITIES /ASSOCIATE COMPANIES

#### Existing

Except as mentioned under “*Annexure – J (ii) - Related Party Transaction*” under section “*Restated Financial Information*” beginning from page no. 160 of this Draft Red Herring Prospectus, there is no business interest among Group Companies/Entities.

#### Proposed Related Party Transactions with Group/Entities/Promoter for FY 2022-23 as approved by the Board of Directors:

(Amount in ₹ Lakhs)

Sr. No.	Name of Related Party	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Omnibus Approval (Limit ₹ in Lacs)
1.	Vital Chemicals	Sales	2022-23	300.00
2.	Vital Chemicals	Purchase	2022-23	100.00
3.	Valentia Synthesis Private Limited	Payment of Interest on Loan received	2022-23	8.00
4.	Vipul Bhatt (HUF)	Payment of Interest on Loan received	2022-23	4.00

Sr. No.	Name of Related Party	Nature of contracts/ arrangements/ transactions	Duration of the contracts /arrangements/ transactions	Omnibus Approval (Limit ₹ in Lacs)
5.	Mr. Vipul Jatashanker Bhatt	Payment of Remuneration	2022-23	312.00
6.	Mrs. Sangeeta Vipul Bhatt	Payment of Remuneration	2022-23	180.00
7.	Mr. Jay Vipul Bhatt	Payment of Remuneration	2022-23	240.00
8.	Mr. Hetalkumar Jayantilal Shah	Payment of Remuneration	2022-23	2.50
9.	Mr. Deepakkumar Kushalchandra Chaubisa	Payment of Remuneration	2022-23	1.00

In addition to all above transactions proposed to be entered, our Company may also propose to enter in to new transactions or transactions beyond the present approval given by the Board of Directors/Audit Committee after obtaining the fresh approval for the new transactions or transactions beyond the approval specified above.

#### **DISSOCIATION OF PROMOTER IN THE LAST THREE YEAR**

Our Promoter has not disassociated himself from any Company or Firm during the preceding three years.

#### **RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY/ENTITY AND ITS SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For details, please see “Annexure – J (ii) - Related Party Transaction” under section “Restated Financial Information” beginning from page no. 160 of this Draft Red Herring Prospectus.

#### **CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “Restated Financial Statement” on page no. 160 of this Draft Red Herring Prospectus, there have been no changes in the accounting policies in the last three years.

## SECTION – XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on June 28, 2022 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in EoGM held on June 30, 2022, authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this Draft Red Herring Prospectus for listing our shares on the Emerge Platform of NSE. NSE is the Designated Stock Exchange for the purpose of this Issue.

### PROHIBITION BY SECURITIES MARKET REGULATORS

Our Company, our Promoter, our Directors and our Promoter's Group have not been prohibited from accessing or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.

### CONFIRMATIONS

1. Our Company, our Promoter, Promoter's Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
2. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
3. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoter or directors.

### PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Neither our Company, nor our Promoter, nor the relatives (as defined under the Companies Act) of our Promoter nor Group Companies/Entities have been identified as willful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.

### ELIGIBILITY FOR THE ISSUE

Our company whose post issue paid-up capital is more than ₹ 10 Crore and upto ₹ 25 Crore therefore, our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder;

#### 1. The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.

Our Company is incorporated under the Companies Act, 2013.

#### 2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25.00 Crore.

The present paid-up capital of our Company is ₹ 1755.15 Lakh and we are proposing issue Up to 6400000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our Post Issue Paid up Capital will be ₹ [●] Crores which is more than ₹ 10.00 Crores and less than ₹ 25.00 Crore.

#### 3. Track Record

##### A. The company should have a track record of at least 3 years.

Our Company was originally incorporated on November 11, 2013 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, Central Registration Centre. Subsequently, the conversion of our Company into Limited Liability Partnership having duly passed the necessary resolution in terms of Rule 20(1) of the LLP Rules, 2009 under the LLP Act, 2008. Further, our Limited Liability Partnership was converted to 'Vital Chemtech Limited' and fresh Certificate of Incorporation was issued by Registrar of Companies, Ahmedabad. Therefore, we are in compliance with criteria of having track record of 3 years.

- B. The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

(₹ In lakh)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating profit (earnings before interest, depreciation and tax and other income) from operations*	2,460.68	644.19	417.53
Net Worth as per Restated Financial Statement	1,337.32	597.53	303.75

\*Note: Our Company was formed on conversion of erstwhile LLP viz. Vital Chemtech LLP on November 25, 2021. Operating profit appearing above includes operating profit of erstwhile LLP from April 01, 2021 to November 24, 2021.

#### 4. Other Requirements

We confirm that;

- The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company, which has been admitted by the court or a liquidator has not been appointed.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.

#### 5. The Company has a website: [www.vitalgroup.co.in](http://www.vitalgroup.co.in)

#### 6. Disclosures

We confirm that:

- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Promoter/promoting Company(ies), group companies, companies promoted by the Promoter/promoting companies of the Company.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoter/promoting Company(ies), group companies, companies promoted by the Promoter/promoting Company(ies) during the past three years.

#### In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

- In accordance with regulation 260 of the SEBI ICDR Regulations, this Issue is 100% underwritten by the BRLM in compliance of Regulations 260(1) and 260(2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by BRLM, please refer to Section titled “General Information” beginning on page no. 48 of this Draft Red Herring Prospectus.
- In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares Issue in the Initial Public Issue. For details of the market making arrangement, see Section titled “General Information” beginning on page no. 48 of this Draft Red herring Prospectus.
- In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue 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 at rate of fifteen per cent per annum and within such time as disclosed in the Issue document and BRLM shall ensure the same.
- In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Issue Document through BRLM immediately up on registration of the Issue Document with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However, SEBI shall not issue any observation on our Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and Subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 29, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT.”**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30 AND SECTION 32 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE NSE**

The copy of the Draft Red Herring Prospectus is submitted to NSE. Post scrutiny of the Draft Red Herring Prospectus, the Disclaimer Clause as intimated by NSE to us is read as under:

**“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●] permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft red herring prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer.**

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

#### **CAUTION- DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER**

The Company, the Directors, accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.

The BRLM accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.vitalgroup.co.in](http://www.vitalgroup.co.in) would be doing so at their own risk.

The Company, the Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of the issuer and that anyone placing reliance on any other source of information, including Company's website: [www.vitalgroup.co](http://www.vitalgroup.co). would be doing so at their own risk.

#### **CAUTION**

The BRLM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered into between the BRLM, and our Company dated [●] and the Underwriting Agreement dated [●] between [●] and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, Book Running Lead Manager and our Company.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres etc.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our Promoter Group, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our Promoter Group, affiliates or associates for which they have received, and may in future receive, compensation.

#### **Note:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and BRLM and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not Issue, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriters and BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised 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 the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub –account registered with SEBI which is a foreign corporate or Foreign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares Issue hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and 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 Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption

from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on 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 offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

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

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India. The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Red Herring Prospectus/Prospectus along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the RoC Office situated at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat.

### **LISTING**

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within Four days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four day after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within Six Working Days from the Issue Closing Date.

### **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 –

- (a). makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
- (b). makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c). Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

#### **CONSENTS**

The written consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, Advisors to the Issue, the BRLM to the Issue, Registrar to the Issue, [●], [●], [●] and [●] to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Red Herring Prospectus/Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus/Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, 1) M/s. Abhishek Kumar & Associates, Chartered Accountants have provided their written consent to act as Peer review Auditor and expert to the company dated July 13, 2022 for Audit Report to the Restated Financial Information as well as inclusion of Statement of Tax Benefits dated July 13, 2022 and disclosure made in chapter titled “*Objects of the Issue*” for fund deployment certificate dated July 12, 2022 in this Draft Red Herring Prospectus; 2) M/s. Asha Agarwal, & Associates, Advocate has provided their written consent to act as Legal Advisor to the issue dated July 14, 2022 and to inclusion of name as Expert dated July 14, 2022 ; 3) M/s. Abhishek Kumar & Associates, Chartered Accountants have provided their written consent to act as expert to the company dated July 13, 2022.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

#### **EXPERT OPINION**

Except for report and certificates from Peer Review Auditors on financial matter and Legal advisor to the company on Legal matters, we have not obtained any other expert opinions.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

We have not made any previous public Issue. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BRLM**

This being the first Issue managed by the BRLM, the stated disclosures are not applicable.

#### **PROMISE VIS-A-VIS PERFORMANCE**

Since, neither our Company nor our Promoter’s Group Companies/Entities have made any previous rights or public issues during last five years, promise vis-a-vis Performance is not applicable.

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

As on date of this Draft Red Herring Prospectus, there are no Issue handled by Beeline Capital Advisors Private Limited which is listed on NSE and BSE, Hence Price Information of Past Issue is not applicable.

Although, Beeline Capital Advisors Private Limited has filed Draft Offer Documents of Aristo Bio-Tech and Lifescience Limited, Viviana Power Tech Limited, Jay Jalaram Technologies Limited and Kandarp Digi smart BPO Limited with Emerge Platform of National Stock Exchange of India Limited.

#### **TRACK RECORD OF PAST ISSUES HANDLED BY BEELINE CAPITAL ADVISORS PRIVATE LIMITED**

As on date of this Draft Red Herring Prospectus, there are no issue handled by Beeline Capital Advisors Private Limited which is listed on NSE and BSE, Hence Track Records of Past Issue is not applicable.

Although, Beeline Capital Advisors Private Limited has filed Draft Red Herring Prospectus of Aristo Bio-Tech and Lifescience Limited, Viviana Power Tech Limited, Jay Jalaram Technologies Limited and Kandarp Digi smart BPO Limited with Emerge Platform of National Stock Exchange of India Limited.

### MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 date April 20, 2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 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 per day 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 Managers shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Red Herring Prospectus/Prospectus. - **Noted for Compliance**

### DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee as follows:

Name of the Directors	Designation	Nature of Directorship
Mr. Hetalkumar Jayantilal Shah	Non-Executive Independent Director	Chairperson
Mr. Deepakkumar Chaubisa	Non-Executive Independent Director	Member
Mr. Vipul Jatashanker Bhatt	Chairman Cum Managing Director	Member

Our Company has appointed Mrs. Puja Paras Mehta as the Company Secretary and Compliance Officer who may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Mrs. Puja Paras Mehta**

C/o. Vital Chemtech Limited

B-406, Mondeal Heights, Opp. Karnavati Club,

S. G. Highway, Ahmedabad – 380015, Gujarat

**Telephone No.:** +91 79 4600 5840

**Web site:** www.vitalgroup.co.in

**E-Mail:** [info@vitalgroup.co.in](mailto:info@vitalgroup.co.in)

Till date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

## PUBLIC ISSUE EXPENSES

Expenses	Expenses (₹ in Lakh)	Expenses (% of Total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Lead Manger Fees including Underwriting Commission	[●]	[●]	[●]
Fees Payable to Advisor to the Issue and Consultants	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising, Marketing Expenses and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor	[●]	[●]	[●]
Fees Payable to Market Maker (for Two Years)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	[●]	<b>100.00</b>	[●]

### Notes:

- Up to July 11, 2022, Our Company has deployed/incurred expense of ₹ 15.18 Lakhs towards Issue Expenses and custodian connectivity charges out of internal accruals duly certified by Statutory Auditor M/s. Abhishek Kumar & Associates, Chartered Accountants vide its certificate dated July 12, 2022, bearing UDIN: 22132305AMRR0P4187.
- Any expenses incurred towards aforesaid issue related expenses during the period from August 19, 2021 to till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue:
- Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:
 

Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)

Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)

^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
- The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
- Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
- SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.
- Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.

*The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.*

#### **FEES PAYABLE TO BRLM TO THE ISSUE**

The total fees payable to the BRLM will be as per the Memorandum of Understanding for Initial Public Offer, a copy of which is available for inspection at the Registered Office of our Company.

#### **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable to the Registrar to the Issue, for processing of Bidding application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

#### **FEES PAYABLE TO OTHERS**

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

#### **COMMISSION PAYABLE TO SCSBS**

1. *Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:*

*Portion for RIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)*

*Portion for NIIs 0.01% or ₹ 100/- whichever is less ^ (exclusive of GST)*

*^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).*

2. *The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.*

3. *Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.*

4. *SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs.*

5. *Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.*

*The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/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 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.*

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the chapter titled “Capital Structure” beginning on page no. 57 of this Draft Red Herring Prospectus, our Company has not Issue any Equity Shares for consideration otherwise than for cash.

#### **LISTED VENTURES OF PROMOTER**

There are no listed ventures of our Company as on date of filing of this Draft Red Herring Prospectus.

## **OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

## **CHANGES IN AUDITORS**

Our Company has appointed M/s. Abhishek Kumar & Associates, Chartered Accountants, Ahmedabad as its first auditor on December 01, 2021.

## **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS**

Except as disclosed under chapter titled “*Capital Structure*” on page 57 of this Draft Red Herring Prospectus, our Company has not capitalized Reserves or Profits during last five years.

## **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our Company has not revalued its assets during last five years.

## SECTION XIII – ISSUE RELATED INFORMATION

### TERMS OF ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated*

*November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised 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 Registrar to the Issue and DPs as and when the same is made available.*

#### **Ranking of Equity Shares**

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

#### **Authority for the Issue**

This Issue has been authorized by a resolution of the Board passed at their meeting held on June 28, 2022, 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 Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EoGM of the Company held on June 30, 2022.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and other applicable laws in this respect and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. For further details, please refer to the chapter titled “Dividend Policy” beginning on pages 159 of this Draft Red Herring Prospectus.

#### **Face Value, Issue Price, Floor Price and Price Band**

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”).

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled “Basis of Issue Price” beginning on page 81 of this Draft Red Herring Prospectus.

### **Compliance with the disclosure and accounting norms**

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, SEBI(LODR), 2015 and the Memorandum and Articles of Association of the Company.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated March 21, 2022.
- Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated March 22, 2022.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, —U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being

issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, 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 Applicants require changing of their nomination, they are requested to inform their respective depository participant.

### **Restrictions, if any on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 57 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 230 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. 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. 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.

### **Withdrawal of the Issue**

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter

determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

## ISSUE PROGRAM

Events	Indicative Dates
Bid/Issue Opening Date	[●]
Bid/Issue 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 [●]

\*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock 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.

The SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

### Submission of Bids

#### Bid/Issue Period (except the Bid/Issue Closing Date)

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

#### Bid/Issue Closing Date

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

#### On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) 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.

### **Migration to Main Board**

*Our company may migrate to the main board of NSE Limited at a later date subject to the following:*

- a. *If the Paid-up Capital of our Company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to NSE Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- b. *If the paid-up Capital of our company is more than ₹ 10 Crores but below ₹ 25Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

*Any company desiring to migrate to the Main board from the SME Board within two years of listing on Emerge platform of NSE has to fulfill following conditions:*

- a. *The increase in post issue face value capital beyond ₹ 25 crore should arise only because of merger/acquisition or for expansion purposes.*
- b. *The company should have a minimum turnover of ₹ 100 crore as per last audited financials and market capitalization of ₹ 100 crore.*
- c. *The company should have a minimum profit before tax of ₹ 10 crore for two years out of three preceding years.*
- d. *There should not be any action against the company by any regulatory agency at the time of application for migration.*

### **Market Making**

The shares issued and transferred through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited 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 the Emerge Platform of NSE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 48 of this Draft Red Herring Prospectus.

### **Arrangements for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE.

### **Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting**

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution in the Issue as detailed in the chapter “Capital Structure” beginning on page 57 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. 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 the 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.

### **Application by eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. 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 foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Option to receive securities in Dematerialized 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.

Further it is mandatory for the investor to furnish the details of his/her depository account, & if for any reasons details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ₹ 10 crores and upto ₹ 25 crores, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of NSE). For further details regarding the salient features and terms of such an issue, please refer chapter titled “*Terms of Issue*” and “*Issue Procedure*” on page no. 193 and 203 respectively of this Draft Red Herring Prospectus.

This public issue comprises of upto 6400000 equity shares of face value of ₹10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to ₹ [●]/- Lakhs (“the issue”) by our company. The Issue and the Net Issue will constitute [●]% and [●]% respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process <sup>(1)</sup>:

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to [●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of issue size available for allocation	[●]% of the issue size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment <sup>(3)</sup>	Firm Allotment	Proportionate as follows: a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs,	Proportionate	Proportionate

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
		including Mutual Funds receiving allocation as per (a) above.		
Mode of Bid	Only through the ASBA process.	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds ₹ 2,00,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), 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
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process			

- (1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the issue price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

#### WITHDRAWAL OF THE ISSUE

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

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

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Ahmedabad.

## BID/ISSUE PROGRAMME:

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

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of bids.
- A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) 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 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

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 RIBs 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 SEBI. The Issue has been undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular shall come into force for initial public Issues opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 5,00,000/- shall use the UPI Mechanism.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

## BOOK BUILDING PROCEDURE

This Issue 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 Issue shall be allocated on a proportionate basis to QIBs. 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

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 Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over 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, the PAN and UPI ID, for RIBs Bidding in the Retail Portion 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 their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.**

#### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### **Phased implementation of Unified Payments Interface**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI 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 the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. 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.
- c) Phase III: Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI 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 finalized. 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 in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism 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 (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form*</b>
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII’s, FVCIs etc. applying on a repatriation basis	Blue

*Note: Electronic Bid Cum Application Forms will also be available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)).*

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

**Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).**

**Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.**

**The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure**

that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

**Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.**

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date (“Cut-Off Time”). Accordingly, RIBs 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. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) 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 Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

## WHO CAN BID?

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Kartal. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

## APPLICATIONS NOT TO BE MADE BY:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### 1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

### 2. For Other than Retail Individual Bidders (Non-Institutional 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 Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the 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 applied for do not exceed the applicable limits under laws or regulations.**

## METHOD OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper, all editions of Hindi national newspaper and Ahmedabad Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

**The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.

- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the 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 prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made 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 Bid cum Application Form/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/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

### **BIDS BY ELIGIBLE NRIS**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) 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 (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see "Restrictions on Foreign Ownership of Indian Securities" beginning on page 228. Participation of eligible NRIs shall be subject to FEMA NDI Rules.

### **BIDS BY FPIS**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to

be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFs, VCFs AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “Key Regulations and Policies” beginning on page 134.

#### **BIDS BY SCSBS**

SCSBS participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 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 SCSBS. Further, such 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.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) 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;
- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, 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 attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a 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 along with the Bid cum Application Form. Failing this, our, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

**In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.**

**The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.**

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on

a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
- Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and

other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

**Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.**

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%

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

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

## GENERAL INSTRUCTIONS

### Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market,

all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. 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;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. 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 authorise blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. 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/ Issue Closing Date;
25. 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 Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum 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 Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
12. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
13. Do not submit the General Index Register (GIR) number instead of the PAN;
14. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
16. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
17. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
18. Do not submit a Bid using UPI ID, if you are not a RIB;
19. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not Bid for Equity Shares in excess of what is specified for each category;
21. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
22. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
23. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
24. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
25. Do not Bid if you are an OCB; and
26. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our Management*” beginning on pages 48 and 134 respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” beginning on page 48.

#### **GROUND FOR TECHNICAL REJECTION**

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “General Information” beginning on page 48.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GUID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the

DRHP. For details in relation to allocation, the Bidder may refer to the RHP.

- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

**The Allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. 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 Issue for Sale only, then minimum subscription may not be applicable.**

## BASIS OF ALLOTMENT

### a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

### b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

### c. For QIBs

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
  - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above

the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**c) Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-.** Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

**The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

**Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of

allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

**Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

**Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

**Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

**Disposal of Application and Application Moneys and Interest in Case of Delay**

**The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.**

**The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.**

**In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:**

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation 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:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. 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).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) 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.
4. 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.
5. 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.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue 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 NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the 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, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. 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.**

**Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on May 21, 2022.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on May 22, 2022.
- c) The Company's Equity shares bear an ISIN No. INE0L4K01016.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- 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.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- 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.
- 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.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### **PRE-ISSUE 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-Issue 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 daily newspaper each with wide circulation.

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue 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.

#### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company and the Underwriter intend to enter into an Underwriting Agreement on or immediately after the finalization of the Issue Price but prior to the filing of Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

#### **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*"Any person who:*

- a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See “*Issue Procedure*” beginning on page 203.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Issue Procedure*” beginning on page 203.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

**DESCRIPTION OF EQUITY SHARES RELATED TERMS OF THE ARTICALS OF ASSOCIATION**

<b>Title of Articles</b>	<b>Article Number</b>	<b>Content</b>
<b>CONSTITUTION OF THE COMPANY</b>	1.	The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.
<b>INTERPRETATION CLAUSE</b>	2.	<p>The marginal notes hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meanings unless excluded by the subject or context:</p> <ul style="list-style-type: none"> <li>a) 'The Act' or 'The Companies Act' shall mean 'The Companies Act, 2013, its rules and any statutory modifications or reenactments thereof.'</li> <li>b) 'The Board' or 'The Board of Directors' means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles.</li> <li>c) 'The Company' or 'This Company' means VITAL CHEMTECH LIMITED.</li> <li>d) 'Directors' means the Directors for the time being of the Company.</li> <li>e) 'Writing' includes printing, lithograph, typewriting and any other usual substitutes for writing.</li> <li>f) 'Members' means members of the Company holding a share or shares of any class.</li> <li>g) 'Month' shall mean a calendar month.</li> <li>h) 'Paid-up' shall include 'credited as fully paid-up'.</li> <li>i) 'Person' shall include any corporation as well as individual.</li> <li>j) 'These presents' or 'Regulations' shall mean these Articles of Association as now framed or altered from time to time and shall include the Memorandum where the context so requires.</li> <li>k) 'Section' or 'Sec.' means Section of the Act.</li> <li>l) Words importing the masculine gender shall include the feminine gender.</li> <li>m) Except where the context otherwise requires, words importing the singular shall include the plural and the words importing the plural shall include the singular.</li> <li>n) 'Special Resolution' means special resolution as defined by Section 114 in the Act.</li> <li>o) 'The Office' means the Registered Office for the time being of the Company.</li> <li>p) 'The Register' means the Register of Members to be kept pursuant to Section 88 of the Companies Act, 2013.</li> <li>q) 'Proxy' includes Attorney duly constituted under a Power of Attorney.</li> </ul>
	3.	Except as provided by Section 67, no part of funds of the Company shall be employed in the purchase of the shares of the Company, and the Company shall not directly or indirectly and whether by shares, or loans, give, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company.
	4.	The Authorized Share Capital of the Company shall be as prescribed in Clause V of the Memorandum of Association of the Company.
	5.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot 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 or at a discount (subject to compliance with the provisions of the Act) and at such terms as they may, from time to time, think fit and proper and with the sanction of the Company in General Meeting by a Special Resolution give to any person the

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		<p>option to call for or be allotted shares of any class of the Company, either at par, at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit unless the Company in General Meeting, by a Special Resolution, otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.</p> <p>Subject to the provisions of the Act, any redeemable Preference Share, including Cumulative Convertible Preference Share may, with the sanction of an ordinary resolution be issued on the terms that they are, or at the option of the Company are liable to be redeemed or converted on such terms and in such manner as the Company, before the issue of the shares may, by special resolution, determine.</p>
	6.	<p>The Company in General Meeting, by a Special Resolution, may determine that any share (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not), giving them the option to call or be allotted shares of any class of the Company either at a premium or at par or at a discount, (subject to compliance with the provisions of Section 53) such option being exercisable at such times and for such consideration as may be directed by a Special Resolution at a General Meeting of the Company or in General Meeting and may take any other provisions whatsoever for the issue, allotment or disposal of any shares.</p>
	7.	<p>The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital, but subject to Section 62 of the Act, and subject to the following conditions namely:</p> <p>I. (a) Such further shares shall be offered to the persons who, at the date of the offer, are holder of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>(b) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or in respect of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.</p> <p>II. The Directors may, with the sanction of the Company in General Meeting by means of a special resolution, offer and allot shares to any person at their discretion by following the provisions of section 62 of the Act and other applicable provisions, if any.</p> <p>III. Nothing in this Article shall apply to the increase in the subscribed capital of the Company which has been approved by:</p> <p>(a) A Special Resolution passed by the Company in General Meeting before the issue of the debentures or the raising of the loans, and</p> <p>(b) The Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.</p>
	8.	<p>1. The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of the class) may, subject to the</p>

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		<p>provisions of Section 48 of the Act, be varied with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a General Meeting of the holders of the shares of that class.</p> <p>2. To every such separate General Meeting, the provisions of these Articles relating to General Meeting shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.</p>
<b>Issue of further shares with disproportionate rights</b>	9.	Subject to the provisions of the Act, the rights conferred upon the holders of the shares of any class issued with preferred or other rights or not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.
<b>Not to issue shares with disproportionate rights</b>	10.	The Company shall not issue any shares (not being Preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being Preference Shares.
<b>Power to pay commission</b>	11.	The Company may, at any time, pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any share, debenture or debenture stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, such commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five percent of the price at which the shares are issued and in the case of debentures, the rate of commission shall not exceed, two and half percent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
<b>Liability of joint holders of shares</b>	12.	The joint holders of a share or shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares.
<b>Trust not recognised</b>	13.	Save as otherwise provided by these Articles, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
<b>Issue other than for cash</b>	14.	<p>a) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.</p> <p>b) As regards all allotments, from time to time made, the Board shall duly comply with Section 39 of the Act.</p>
<b>Acceptance of shares</b>	15.	An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any share therein, shall be acceptance of the shares within the meaning of these Articles; and every person who thus or otherwise accepts any share and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.

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<b>Member' right to share Certificates</b>	16.	<ol style="list-style-type: none"> <li>1. Every person whose name is entered as a member in the Register shall be entitled to receive without payment:               <ol style="list-style-type: none"> <li>a) One certificate for all his shares; or</li> <li>b) Share certificate shall be issued in marketable lots, where the share certificates are issued either for more or less than the marketable lots, sub-division/consolidation into marketable lots shall be done free of charge.</li> </ol> </li> <li>2. The Company shall, within two months after the allotment and within fifteen days after application for registration of the transfer of any share or debenture, complete and have it ready for delivery; the share certificates for all the shares and debentures so allotted or transferred unless the conditions of issue of the said shares otherwise provide.</li> <li>3. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</li> <li>4. The certificate of title to shares and duplicates thereof when necessary shall be issued under the seal of the Company and signed by two Directors and the Secretary or authorised official(s) of the Company.</li> </ol>
<b>One Certificate for joint holders</b>	17.	In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 20 below.
<b>Renewal of Certificate</b>	18.	If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate without any fee, provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificate shall be marked as such in accordance with the provisions of the act in force.
	19.	For every certificate issued under the last preceding Article, no fee shall be charged by the Company.
<b>Splitting and consolidation of Share Certificate</b>	20.	<p>The shares of the Company will be split up/consolidated in the following circumstances:</p> <ol style="list-style-type: none"> <li>(i). At the request of the member/s for split up of shares in marketable lot.</li> <li>(ii). At the request of the member/s for consolidation of fraction shares into marketable lot.</li> </ol>
<b>Directors may issue new Certificate(s)</b>	21.	Where any share under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.
<b>Person by whom installments are payable</b>	22.	If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment, shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative or representatives, if any.
<b>LIEN Company's lien on shares</b>	23.	The Company shall have first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either or jointly with any other person, and upon the proceeds or sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors, at any time, may declare any share to be exempt, wholly or partially from the provisions of this Article. Unless otherwise agreed, the

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		registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
<b>As to enforcing lien by sale</b>	24.	For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holders of the shares for the time being or to the person entitled to the shares by reason of the death of insolvency of the register holder.
<b>Authority to transfer</b>	25.	a) To give effect to such sale, the Board of Directors may authorize any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer. b) b. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
<b>Application of proceeds of sale</b>	26.	The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of sale.
<b>CALLS ON SHARES</b>  <b>Calls</b>	27.	Subject to the provisions of Section 49 of the Act, the Board of Directors may, from time to time, make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Board of Directors.
<b>When call deemed to have been made</b>	28.	A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.
<b>Length of Notice of call</b>	29.	Not less than thirty days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
<b>Sum payable in fixed installments to be deemed calls</b>	30.	If by the terms of issue of any share or otherwise, any amount is made payable at any fixed times, or by installments at fixed time, whether on account of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Directors, on which due notice had been given, and all the provisions herein contained in respect of calls shall relate and apply to such amount or installment accordingly.
<b>When interest on call or installment payable</b>	31.	If the sum payable in respect of any call or, installment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall fall due, shall pay interest for the same at the rate of 12 percent per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.
<b>Sums payable at fixed times to be treated as calls</b>	32.	The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a share, become payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
<b>Payment of call in advance</b>	33.	The Board of Directors, may, if it thinks fit, receive from any member willing to advance all of or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advance may (until the

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		same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.
<b>Partial payment not to preclude forfeiture</b>	34.	Neither a judgment nor a decree in favor of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.
<b>FORFEITURE OF SHARES</b>  <b>If call or installment not paid, notice may be given</b>	35.	If a member fails to pay any call or installment of a call on the day appointed for the payment not paid thereof, the Board of Directors may during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other share.
<b>Evidence action by Company against shareholders</b>	36.	On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
<b>Form of Notice</b>	37.	The notice shall name a further day (not earlier than the expiration 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 shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.
<b>If notice not complied with, shares may be forfeited</b>	38.	If the requirements of any such notice as, aforementioned 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. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
<b>Notice after forfeiture</b>	39.	When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
<b>Boards' right to dispose of forfeited shares or cancellation of forfeiture</b>	40.	A forfeited or surrendered share may be sold or otherwise disposed off on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.
<b>Liability after forfeiture</b>	41.	A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his

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		liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.
<b>Effect of forfeiture</b>	42.	The forfeiture of a share shall involve in the extinction of all interest in and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
<b>Evidence of forfeiture</b>	43.	A duly verified declaration in writing that the declarant is a Director 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, and that declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and 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.
<b>Non-payment of sums payable at fixed times</b>	44.	The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
<b>Validity of such sales</b>	45.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>  <b>Transfer</b>	46.	a) The instrument of transfer of any share in the Company shall be executed both by the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof. b) The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application on such terms in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit. c) An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee. The Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.

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		<p>d) For the purpose of Sub-clause (c), notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be delivered in the ordinary course of post.</p> <p>e) Nothing in Sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.</p>
<b>Form of transfer</b>	47.	Shares in the Company shall be transferred by an instrument in writing in such common form as specified in Section 56 of the Companies Act.
<b>Board's right to refuse to register</b>	48.	<p>The Board, may, at its absolute discretion and without assigning any reason, decline to register</p> <ol style="list-style-type: none"> <li>1. The transfer of any share, whether fully paid or not, to a person of whom it do not approve or</li> <li>2. Any transfer or transmission of shares on which the Company has a lien</li> </ol> <ol style="list-style-type: none"> <li>a. Provided that registration of any transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.</li> <li>b. If the Board refuses to register any transfer or transmission of right, it shall, within fifteen days from the date of which the instrument or transfer of the intimation of such transmission was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.</li> <li>c. In case of such refusal by the Board, the decision of the Board shall be subject to the right of appeal conferred by Section 58.</li> <li>d. The provisions of this clause shall apply to transfers of stock also.</li> </ol>
<b>Further right of Board of Directors to refuse to register</b>	49.	<ol style="list-style-type: none"> <li>a. The Board may, at its discretion, decline to recognise or accept instrument of transfer of shares unless the instrument of transfer is in respect of only one class of shares.</li> <li>b. No fee shall be charged by the Company for registration of transfers or for effecting transmission on shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.</li> <li>c. Notwithstanding anything contained in Sub-articles (b) and (c) of Article 46, the Board may not accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such a sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots, subject however, to verification by the Company.</li> <li>d. The Directors may not accept applications for transfer of less than 100 equity shares of the Company, provided however, that these restrictions shall not apply to: <ol style="list-style-type: none"> <li>i. Transfer of equity shares made in pursuance of a statutory order or an order of competent court of law.</li> <li>ii. Transfer of the entire equity shares by an existing equity shareholder of the Company holding less than hundred (100) equity shares by a single transfer to joint names.</li> <li>iii. Transfer of more than hundred (100) equity shares in favour of the same transferee under one or more transfer deeds, one or more of them relating to transfer of less than hundred (100) equity shares.</li> <li>iv. Transfer of equity shares held by a member which are less than hundred (100) but which have been allotted to him by the Company</li> </ol> </li> </ol>

Title of Articles	Article Number	Content
		<p>as a result of Bonus and/or Rights shares or any shares resulting from Conversion of Debentures.</p> <p>v. The Board of Directors be authorised not to accept applications for sub-division or consolidation of shares into denominations of less than hundred (100) except when such sub-division or consolidation is required to be made to comply with a statutory order of a Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject, however, to verification by the Company.</p> <p>Provided that where a member is holding shares in lots higher than the transferable limit of trading and transfers in lots of transferable unit, the residual shares shall be permitted to stand in the name of such transferor not withstanding that the residual holding shall be below hundred (100).</p>
<b>Rights to shares on death of a member for transmission</b>	50.	<p>a. In the event of death of any one or more of several joint holders, the survivor, or survivors, alone shall be entitled to be recognised as having title to the shares.</p> <p>b. In the event of death of any sole holder or of the death of last surviving holder, the executors or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the Company as having title to the shares of the deceased.</p> <p>Provided that on production of such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.</p> <p>Provided further that if the deceased shareholder was a member of a Hindu Joint Family, the Board, on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors of Karta thereof as having titles to the shares registered in the name of such member.</p> <p>Provided further that in any case, it shall be lawful for the Board in its absolute discretion, to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.</p>
<b>Rights and liabilities of person</b>	51.	<p>1. 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 be required by the Board and subject as herein, after provided elect either</p> <ol style="list-style-type: none"> <li>to be registered himself as a holder of the share or</li> <li>to make such transfer of the share as the deceased or insolvent member could have made.</li> </ol> <p>2. 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.</p>
<b>Notice by such a person of his election</b>	52.	<ol style="list-style-type: none"> <li>If the person so becoming entitled shall elect to be registered as holder of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</li> <li>If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</li> <li>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 of transfer had been signed by that member.</li> </ol>
<b>No transfer to infant, etc.</b>	53.	No transfer shall be made to an infant or a person of unsound mind.

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<b>Endorsement of transfer and issue of certificate</b>	54.	Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Secretary or by some person for the time being duly authorised by the Board in that behalf.
<b>Custody of transfer</b>	55.	The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or more.
<b>Register of members</b>	56.	<p>a. The Company shall keep a book to be called the Register of Members, and therein shall be entered the particulars of every transfer or transmission of any share and all other particulars of shares required by the Act to be entered in such Register.</p> <p><b>Closure of Register of members</b></p> <p>b. The Board may, after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the Registered Office of the Company is situated, close the Register of Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate forty-five days in each year but not exceeding thirty days at any one time.</p> <p><b>When instruments of transfer to be retained</b></p> <p>c. All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same.</p>
<b>Company's right to register transfer by apparent legal owner</b>	57.	The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall so think fit.
<b>Alteration Of Capital</b>  <b>Alteration and consolidation, sub-division and cancellation of shares</b>	58.	<p>a. The Company may, from time to time, in accordance with the provisions of the Act, alter by Ordinary Resolution, the conditions of the Memorandum of Association as follows:</p> <ol style="list-style-type: none"> <li>1. increase its share capital by such amount as it thinks expedient by issuing new shares;</li> <li>2. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>3. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of the denomination;</li> <li>4. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.</li> <li>5. <ol style="list-style-type: none"> <li>a. Cancel shares which, at the date of passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.</li> <li>b. The resolution whereby any share is sub-divided may determined that, as between the holder of the shares resulting from such sub-</li> </ol> </li> </ol>

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		<p>division, one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others.</p> <p>6. Classify and reclassify its share capital from the shares on one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may for the time being be permitted under legislative provisions for the time being in force in that behalf.</p>
<b>Reduction of capital, etc. by Company</b>	59.	<p>The Company may, by Special Resolution, reduce in any manner with and subject to any incident authorised and consent as required by law:</p> <p>a. its share capital;</p> <p>b. any capital redemption reserve account; or</p> <p>c. any share premium account.</p>
<b>Surrender of Shares</b>	60.	<p>The Directors may, subject to the provisions of the Act, accept the surrender of any share by way of compromise of any question as to the holder being properly registered in respect thereof.</p>
<b>Modification of Rights</b>	61.	<p><b>Power of modify shares</b> The rights and privileges attached to each class of shares may be modified, commuted, affected, abrogated in the manner provided in Section 48 of the Act.</p>
<b>Set-off of Moneys Due To Shareholders</b>	62.	<p>Any money due from the Company to a shareholder may, without the consent of such shareholder, be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person, to the Company in respect of calls.</p>
<b>Conversion of Shares</b>	63.	<p>The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.</p>
<b>Transfer of stock</b>	64.	<p>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.</p>
<b>Right of stockholders</b>	65.	<p>The holders of the stock shall, according to the amount of the 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 its 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.</p>
<b>Applicability of regulations to stock and stockholders</b>	66.	<p>Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.</p>
<b>Dematerialisation of Securities</b>	67.	<p><b>a) Definitions</b> For the purpose of this Article: ‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository; ‘SEBI’ means the Securities and Exchange Board of India; ‘Depository’ means a company formed and registered under the Companies Act, 2013, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and ‘Security’ means such security as may be specified by SEBI from time to time.</p> <p><b>b) Dematerialisation of securities</b></p>

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		<p>Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p> <p><b>c) Options for investors</b> Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.</p> <p><b>d) Securities in depositories to be in fungible form</b> All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.</p> <p><b>e) Rights of depositories and beneficial owners:</b></p> <ul style="list-style-type: none"> <li>(i). Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.</li> <li>(ii). Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.</li> <li>(iii). Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.</li> </ul> <p><b>f) Service of documents</b> Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.</p> <p><b>g) Transfer of securities</b> Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p><b>h) Allotment of securities dealt with in a depository</b> Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p><b>i) Distinctive numbers of securities held in a depository</b> Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.</p> <p><b>j) Register and Index of Beneficial owners</b> The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles.</p>

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		<p><b>k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository</b></p> <p>Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person, whether or not it shall have express or implied notice thereof.</p>
<b>General Meetings</b>	68.	<p><b>Annual General Meeting</b></p> <p>The Company shall in each year hold in addition to the other meetings a general meeting which shall be styled as its Annual General Meeting at intervals and in accordance with the provisions of Section 96 of the Act.</p>
<b>Extraordinary General Meeting</b>	69.	<p>1. Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.</p> <p><b>Right to summon Extraordinary General Meeting</b></p> <p>2. The Chairman or Vice Chairman may, whenever they think fit, and shall if so directed by the Board, convene an Extraordinary General Meeting at such time and place as may be determined.</p>
<b>Extraordinary Meeting by requisition</b>	70.	<p>a. The Board shall, on the requisition of such number of members of the Company as is specified below, proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.</p> <p>b. The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.</p> <p>c. The requisition may consist of several documents in like forms, each signed by one or more requisitionists.</p> <p>d. The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold, on the date of the deposit of the requisition, not less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of the voting in regard to the matter set out in the requisition.</p> <p>e. If the Board does not, within 21 days from the date of receipt of deposit of the requisition with regard to any matter, proceed duly to call a meeting for the consideration of these matters on a date not later than 45 days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or such of the requisitionists, as represent either majority in the value of the paid-up share capital held by them or of not less than one tenth of such paid-up capital of the Company as is referred to in Sub-clause (d) above, whichever is less.</p>
<b>Length of notice for calling meeting</b>	71.	<p>A General Meeting of the Company may be called by giving not less than twenty one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded by the members holding not less than 95 per cent of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.</p> <p>Provided that where any member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members, shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.</p>

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<b>Accidental omission to give notice not to invalidate meeting</b>	72.	The accidental omission is to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate the proceedings of any resolution passed at such meeting.
<b>Special business and statement to be annexed</b>	73.	<p>All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of financial statements and the reports of the Directors and Auditors thereon, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein, of every Director and the Manager, if any, every other Key Managerial Personnel and the relatives of Directors, Manager and other Key Managerial Personnel. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p> <p>Where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.</p>
<b>Quorum</b>	74.	<p>The quorum requirements for general meetings shall be as under and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business:</p> <p>Number of members upto 1000: 5 members personally present            Number of members 1000-5000: 15 members personally present            Number of members more than 5000: 30 members personally present</p>
<b>If quorum not present, when meeting to be dissolved and when to be adjourned</b>	75.	If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week and at the same time and place or to such other day and to be at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
<b>Chairman of General Meeting</b>	76.	The Chairman of the Board of Directors shall preside at every General Meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman, the Vice Chairman of the Board of Directors shall preside over the General Meeting of the Company.
<b>When Chairman is absent</b>	77.	If there is no such Chairman or Vice Chairman or if at any General Meeting, either the Chairman or Vice Chairman is not present within fifteen minutes after the time appointed for holding the meeting or if they are unwilling to take the chair, the members present shall choose one of their members to be the Chairman.
<b>Adjournment of meeting</b>	78.	<p>The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>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. Save as aforesaid, it shall not be necessary to give any notice of adjournment or of the business to be transacted at an adjourned meeting.</p>

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<b>Questions at General Meeting how decided</b>	79.	At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands/result of electronic voting as per the provisions of Section 108, unless a poll is (before or on the declaration of the result of the show of hands/ electronic voting) demanded in accordance with the provisions of Section 109. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands/ electronic voting, been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favour of or against that resolution.
<b>Casting vote</b>	80.	In the case of an equality of votes, the Chairman shall, whether on a show of hands, or electronically or on a poll, as the case may be, have a casting vote in addition to the vote or votes to which he may be entitled as a member.
<b>Taking of poll</b>	81.	If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the provisions of Section 109 of the Act, may direct, and the results of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
<b>In what cases poll taken without adjournment</b>	82.	A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. Where a poll is demanded on any other question, adjournment shall be taken at such time not being later than forty-eight hours from the time which demand was made, as the Chairman may direct.
<b>Votes</b>	83.	<ul style="list-style-type: none"> <li>a. Every member of the Company holding Equity Share(s), shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll or on e-voting shall be in proportion to his share of the paid-up Equity Capital of the Company.</li> <li>b. Every member holding any Preference Share shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference Shares and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy, if the dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the meeting. Such dividend shall be deemed to be due on Preference Shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.</li> <li>c. Whenever the holder of a Preference Share has a right to vote on any resolution in accordance with the provisions of this article, his voting rights on a poll shall be in the same proportion as the capital paid-up in respect of such Preference Shares bear to the total equity paid-up capital of the Company.</li> </ul>
<b>Business may proceed notwithstanding demand for poll</b>	84.	A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded; The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
<b>Joint holders</b>	85.	In the case of joint holders, the vote of the first named of such joint holders who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
<b>Member of unsound mind</b>	86.	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.
<b>No member entitled to vote while call due to Company</b>	87.	No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Title of Articles	Article Number	Content
<b>Proxies permitted on polls</b>	88.	On a poll, votes may be given either personally or by proxy provided that no Company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 113 is in force.
<b>Instrument of proxy</b>	89.	<p>a. The instrument appointing a proxy shall be in writing under the hand of the appointed or of the attorney duly authorised in writing, or if the appointer is a Corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as a proxy whether he is a member or not.</p> <p>b. A body corporate (whether a company within the meaning of this Act or not) may:</p> <ol style="list-style-type: none"> <li>1. If it is a member of the Company by resolution of its Board of Directors or other governing body, authorise such persons as it thinks fit to act as its representatives at any meeting of the Company, or at any meeting of any class of members of the Company;</li> <li>2. If it is a creditor (including a holder of debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.</li> </ol> <p>c. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.</p>
<b>Instrument of proxy to be deposited at the office</b>	90.	The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, and in default, the instrument of proxy shall not be treated as valid.
<b>Validity of vote by proxy</b>	91.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
<b>Form of proxy</b>	92.	Any instrument appointing a proxy may be a two way proxy form to enable the shareholders to vote for or against any resolution at their discretion. The instrument of proxy shall be in the prescribed form as given in Form MGT-11.
<b>DIRECTORS</b>	93.	<p>Number of Directors</p> <p>Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.</p> <p>a) Present Board of Directors</p> <ol style="list-style-type: none"> <li>1. Mr. Vipul Jatashanker Bhatt</li> <li>2. Mrs. Sangeeta Vipul Bhatt</li> <li>3. Mr. Jay Vipul Bhatt</li> </ol> <p>b) Same individual may be appointed as Chairperson and Managing Director / Chief Executive Office</p> <p>The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company.</p> <p><b>d. Same individual may be appointed as Chairperson and Managing Director / Chief Executive Officer</b></p> <p>The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive of the Company.</p>

Title of Articles	Article Number	Content
	94.	Subject to the provisions of the Act as may be applicable, the Board may appoint any person as a Managing Director to perform such functions as the Board may decide from time to time. Such Director shall be a Member of the Board.
<b>Qualification of Directors</b>	95.	Any person, whether a member of the Company or not, may be appointed as a Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.
<b>Director's remuneration</b>	96.	<p>a. Until otherwise determined by the Company in General Meeting, each Director shall be entitled to receive and be paid out of the funds of the Company a fee for each meeting of the Board of Directors or any committee thereof, attended by him as may be fixed by the Board of Directors from time to time subject to the provisions of Section 197 of the Act, and the Rules made thereunder. For the purpose of any resolution in this regard, none of the Directors shall be deemed to be interested in the subject matter of the resolution. The Directors shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attendance at meetings of the Board or of any committee of the Board or otherwise in the execution of their duties as Directors either in India or elsewhere. The Managing/Whole-time Director of the Company who is a full time employee, drawing remuneration will not be paid any fee for attending Board Meetings.</p> <p>b. Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting and such sanction, if any, of the Government of India as may be required under the Companies Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.</p> <p>c. Subject to the provisions of the Act, the Company in General Meeting may by Special Resolution sanction and pay to the Director in addition to the said fees set out in sub-clause (a) above, a remuneration not exceeding one per cent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they held office respectively as such Directors.</p> <p>d. Subject to the provisions of Section 188 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purposes of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.</p>
<b>Directors may act notwithstanding vacancy</b>	97.	The continuing Directors may act notwithstanding any vacancy in their body, but subject to the provisions contained in Article 121 below:
<b>Chairman or Vice-chairman of the Board</b>	98.	<p>a. Notwithstanding anything contained in these Articles and pursuant to provisions of the Act, Managing Director of the company will act as Chairman of the board and Deputy Managing Director will act as Vice chairman of the board.</p> <p>b. Subject to the provisions of the Act, the Chairman and the Vice Chairman may be paid such remuneration for their services as Chairman and Vice Chairman respectively, and such reasonable expenses including expenses</p>

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		connected with travel, secretarial service and entertainment, as may be decided by the Board of Directors from time to time.
<b>Casual vacancy</b>	99.	If the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be filled by the Board at a Meeting of the Board subject to Section 161 of the Act. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.
<b>VACATION OF OFFICE OF DIRECTORS</b>	100.	<p>The office of a Director shall be vacated if:</p> <ol style="list-style-type: none"> <li>1. he is found to be unsound mind by a Court of competent jurisdiction;</li> <li>2. he applies to be adjudicated as an insolvent;</li> <li>3. he is an undischarged insolvent;</li> <li>4. he is convicted by a Court of any offence whether involving moral turpitude or otherwise and is sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;</li> <li>5. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call;</li> <li>6. an order disqualifying him for appointment as Director has been passed by court or tribunal and the order is in force.</li> <li>7. he has not complied with Subsection (3) of Section 152</li> <li>8. he has been convicted of the offence dealing with related party transaction under section 188 at any time during the preceding five years.</li> <li>9. he absents himself from all meetings of the Board for a continuous period of twelve months, with or without seeking leave of absence from the Board;</li> <li>10. he acts in contravention of Section 184 of the Act and fails to disclose his interest in a contract in contravention of section 184.</li> <li>11. he becomes disqualified by an order of a court or the Tribunal</li> <li>12. he is removed in pursuance of the provisions of the Act,</li> <li>13. having been appointed a Director by virtue of holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;</li> </ol> <p>notwithstanding anything in Clause (4), (6) and (8) aforesaid, the disqualification referred to in those clauses shall not take effect:</p> <ol style="list-style-type: none"> <li>1. for thirty days from the date of the adjudication, sentence or order;</li> <li>2. where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off; or</li> <li>3. where within the seven days as aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.</li> </ol>
<b>Alternate Directors</b>	101.	<p>(a) The Board may appoint an Alternate Director to act for a Director hereinafter called in this clause “the Original Director” during his absence for a period of not less than 3 months from India.</p> <p>(b) An Alternate Director appointed as aforesaid shall vacate office if and when the Original Director returns to India.</p> <p><b>Independent Directors</b></p> <p>(c) (i) The Directors may appoint such number of Independent Directors as are required under Section 149 of the Companies Act, 2013 or clause 49 of Listing Agreement, whichever is higher, from time to time.</p>

Title of Articles	Article Number	Content
		<p>(ii) Independent directors shall possess such qualification as required under Section 149 of the companies Act, 2013 and clause 49 of Listing Agreement</p> <p>(iii) Independent Director shall be appointed for such period as prescribed under relevant provisions of the companies Act, 2013 and Listing Agreement and shall not be liable to retire by rotation.</p> <p><b>Women Director</b></p> <p>(d) The Directors shall appoint one women director as per the requirements of section 149 of the Act.</p> <p><b>Key Managerial Personnel</b></p> <p>(e) Subject to the provisions of the Act,—</p> <p>(i). A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of are solution of the Board;</p> <p>(ii). A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>(iii).The Managing Director shall act as the Chairperson of the Company for all purposes subject to the provisions contained in the Act and these articles.</p>
<b>Additional Directors</b>	102.	<p>The Directors may, from time to time, appoint a person as an Additional Director provided that the number of Directors and Additional Directors together shall not exceed the maximum number of Directors fixed under Article 93 above. Any person so appointed as an Additional Director shall hold office up to the date of the next Annual General Meeting of the Company.</p> <p><b>Proportion of retirement by rotation</b></p> <p>a. The proportion of directors to retire by rotation shall be as per the provisions of Section 152 of the Act.</p>
<b>Debenture</b>	103.	<p>Any trust deed for securing debentures or debenture-stocks may, if so arranged, provide for the appointment, from time to time, by the Trustees thereof or by the holders of debentures or debenture-stocks, of some person to be a Director of the Company and may empower such Trustees, holder of debentures or debenture-stocks, from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any other provisions herein contained.</p>
<b>Corporation/Nominee Director</b>	104.	<p>a. Notwithstanding anything to the contrary contained in the Articles, so long as any moneys remain owing by the Company the any finance corporation or credit corporation or body, (herein after in this Article referred to as “The Corporation”) out of any loans granted by them to the Company or as long as any liability of the Company arising out of any guarantee furnished by the Corporation, on behalf of the Company remains defaulted, or the Company fails to meet its obligations to pay interest and/or instalments, the Corporation shall have right to appoint from time to time any person or person as a Director or Directors (which Director or Directors is/are hereinafter referred to as “Nominee Director(s)”) on the Board of the Company and to remove from such office any person so appointed, any person or persons in his or their place(s).</p>

Title of Articles	Article Number	Content
		<p>b. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s as long as such default continues. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.</p> <p>The Nominee Director/s appointed shall hold the said office as long as any moneys remain owing by the Company to the Corporation or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.</p> <p>The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, and of the Meeting of the Committee of which the Nominee Director/s is/are member/s.</p> <p>The Corporation shall also be entitled to receive all such notices. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Director/s of the Company are entitled, but if any other fee, commission, monies or remuneration in any form is payable to the Director/s of the Company, the fee, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment to Directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director/s.</p> <p>Provided that if any such Nominee Director/s is an officer of the Corporation, the sitting fees, in relation to such Nominee Director/s shall so accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>c. The Corporation may at any time and from time to time remove any such Corporation Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as a Corporation Director in his place. Such appointment or removal shall be made in writing signed by the Chairman or Joint Chairman of the Corporation or any person and shall be delivered to the Company at its Registered office. It is clarified that every Corporation entitled to appoint a Director under this Article may appoint such number of persons as Directors as may be authorised by the Directors of the Company, subject to Section 152 of the Act and so that the number does not exceed 1/3 of the maximum fixed under Article 93.</p>
<p><b>Disclosure of interest of Directors</b></p>	<p>105.</p>	<p>a. Subject to the provisions of the Act, the Directors shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by on behalf of the Company with any Director or with any company or partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director at the meeting of the Board at which the contract or arrangements is determined or if the interest then exists in any other case, at the first meeting of the Board after the acquisition of the interest.</p>

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		<p>Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to indemnify the Directors or any of them against any loss they may suffer by becoming or being sureties for the Company.</p> <p>b. A Director may be or become a Director of any company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such company.</p>
<b>Rights of Directors</b>	106.	Except as otherwise provided by these Articles and subject to the provisions of the Act, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.
<b>Directors to comply with Section 184</b>	107.	Notwithstanding anything contained in these presents, any Director contracting with the Company shall comply with the provisions of Section 184 of the Companies Act, 2013.
<b>Directors power of contract with Company</b>	108.	Subject to the limitations prescribed in the Companies Act, 2013, the Directors shall be entitled to contract with the Company and no Director shall be disqualified by having contracted with the Company as aforesaid.
<b>ROTATION OF DIRECTORS</b>	109.	<p><b>Rotation and retirement of Directors</b></p> <p>At every annual meeting, one-third of the Directors shall retire by rotation in accordance with provisions of Section 152 of the Act.</p>
<b>Retiring Directors eligible for re-election</b>	110.	A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up vacated office by electing a person thereto.
<b>Which Directors to retire</b>	111.	The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot.
<b>Retiring Directors to remain in office till successors are appointed</b>	112.	Subject to Section 152 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up or appoint the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday at the same time, place, and if at the adjourned meeting the place of vacating Directors is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been reappointed at the adjourned meeting.
<b>Power of General Meeting to increase or reduce number of Directors</b>	113.	Subject to the provisions of Sections 149, 151 and 152 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 93 and may also determine in what rotation the increased or reduced number is to retire.
<b>Power to remove Directors by ordinary resolution</b>	114.	Subject to provisions of Section 169 the Company, by Ordinary Resolution, may at any time remove any Director except Government Directors before the expiry of his period of office, and may by Ordinary Resolution appoint another person in his place. The person so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforementioned. A Director so removed from office shall not be re-appointed as a Director by the Board of Directors. Special Notice shall be required of any resolution to remove a Director under this Article, or to appoint somebody instead of the Director at the meeting at which he is removed.

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<b>Rights of persons other than retiring Directors to stand for Directorships</b>	115.	Subject to the provisions of Section 160 of the Act, a person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office, as the case may be “along with a deposit of such sum as may be prescribed by the Act or the Central Government from time to time which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director or gets more than 25% of total valid votes cast either on show of hands or electronically or on poll on such resolution”.
<b>Register of Directors and KMP and their shareholding</b>	116.	The Company shall keep at its Registered Office a register containing the addresses and occupation and the other particulars as required by Section 170 of the Act of its Directors and Key Managerial Personnel and shall send to the Registrar of Companies returns as required by the Act.
<b>Business to be carried on</b>	117.	The business of the Company shall be carried on by the Board of Directors.
<b>Meeting of the Board</b>	118.	The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, provided that a meeting of the Board shall be held at least once in every one hundred and twenty days; and at least four such meetings shall be held in every year.
<b>Director may summon meeting</b>	119.	A Director may at any time request the Secretary to convene a meeting of the Directors and seven days notice of meeting of directors shall be given to every director and such notice shall be sent by hand delivery or by post or by electronic means.
<b>Question how decided</b>	120.	<p>a. Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.</p> <p>b. In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.</p>
<b>Right of continuing Directors when there is no quorum</b>	121.	The continuing Directors may act notwithstanding any vacancy in the Board, but if and as long as their number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company and for no other purpose.
<b>Quorum</b>	122.	The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that onethird being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of the Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.
<b>Election of Chairman to the Board</b>	123.	If no person has been appointed as Chairman or Vice Chairman under Article 98(a) or if at any meeting, the Chairman or Vice Chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.

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<b>Chairman Emeritus</b>	123 A	<ol style="list-style-type: none"> <li>1. The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company.</li> <li>2. The Chairman Emeritus shall hold office until he resigns his office or a special resolution to that effect is passed by the members in a general meeting.</li> <li>3. The Chairman Emeritus may attend any meetings of the Board or Committee thereof but shall not have any right to vote and shall not be deemed to be a party to any decision of the Board or Committee thereof.</li> <li>4. The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.</li> <li>5. The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.</li> <li>6. If at any time the Chairman Emeritus is appointed as a Director of the Company, he may, at his discretion, retain the title of the Chairman Emeritus."</li> </ol>
<b>Power to appoint Committees and to delegate</b>	124.	<ol style="list-style-type: none"> <li>a. The Board may, from time to time, and at any time and in compliance with provisions of the act and listing agreement constitute one or more Committees of the Board consisting of such member or members of its body, as the Board may think fit. <b>Delegation of powers</b></li> <li>b. Subject to the provisions of Section 179 the Board may delegate from time to time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such terms and subject to such conditions as the Board may think fit and subject to provisions of the act and listing agreement.</li> <li>c. The Board may from, time to time, revoke, add to or vary any powers, authorities and discretions so delegated subject to provisions of the act and listing agreement.</li> </ol>
<b>Proceedings of Committee</b>	125.	The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last proceeding Article.
<b>Election of Chairman of the Committee</b>	126.	<ol style="list-style-type: none"> <li>a. The Chairman or the Vice Chairman shall be the Chairman of its meetings, if either is not available or if at any meeting either is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting.</li> <li>b. The quorum of a Committee may be fixed by the Board and until so fixed, if the Committee is of a single member or two members, the quorum shall be one and if more than two members, it shall be two.</li> </ol>
<b>Question how determined</b>	127.	<ol style="list-style-type: none"> <li>a. A Committee may meet and adjourn as it thinks proper.</li> <li>b. Questions arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.</li> </ol>
<b>Acts done by Board or Committee valid, notwithstanding defective appointment, etc.</b>	128.	All acts done by any meeting of the Board or 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 any person acting as aforesaid, or that any of them was

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		disqualified, be as valid as if every such Director and such person had been duly appointed and was qualified to be a Director.
<b>Resolution circulation</b> by	129.	Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with necessary papers, if any, to all the members of the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.
<b>POWERS AND DUTIES OF DIRECTORS</b>	130.	<b>General powers of Company vested in Directors</b> The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the act or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
<b>Attorney of the Company</b>	131.	The Board may appoint at any time and from time to time by a power of attorney under the Company's seal, any person to be the Attorney of the Company for such purposes and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time to time think fit and any such appointment, may, if the Board thinks fit, be made in favour of the members, or any of the members of any firm or company, or the members, Directors, nominees or managers of any firm or company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Board and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.
<b>Power to authorise sub delegation</b>	132.	The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers and authorities for the time being vested in him.
<b>Directors' duty to comply with the provisions of the Act</b>	133.	The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and keep a register of the Directors, and send to the Registrar an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions, and such other resolutions and agreements required to be filed under Section 117 of the Act and a copy of the Register of Directors and notifications of any change therein.
<b>Special power of Directors</b>	134.	In furtherance of and without prejudice to the general powers conferred by or implied in Article 130 and other powers conferred by these Articles, and subject to the provisions of Sections 179 and 180 of the Act, that may become applicable, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association and to the following things.
<b>To acquire and dispose of property and rights</b>	135.	a. To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange, or otherwise dispose of the property, privileges and undertakings of the Company upon such terms and conditions and for such consideration as they may think fit. <b>To pay for property in debentures, etc.</b>

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		<p>b. At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid-up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p><b>To secure contracts by mortgages</b></p> <p>c. To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.</p> <p><b>To appoint officers, etc.</b></p> <p>d. To appoint and at their discretion remove, or suspend such agents, secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their powers and duties and fix their salaries or emoluments and to the required security in such instances and to such amount as they think fit.</p> <p>e. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments or satisfaction of any dues and of any claims or demands by or against the Company.</p> <p><b>To refer to arbitration</b></p> <p>f. To refer to, any claims or demands by or against the Company to arbitration and observe and perform the awards.</p> <p><b>To give receipt</b></p> <p>g. To make and give receipts, releases and other discharges for money payable to the Company and of the claims and demands of the Company.</p> <p><b>To act in matters of bankrupts and insolvents</b></p> <p>h. To act on behalf of the Company in all matters relating to bankrupts and insolvents.</p> <p><b>To give security by way of indemnity</b></p> <p>i. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p><b>To give commission</b></p> <p>j. To give any person employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company.</p> <p><b>To make contracts etc.</b></p> <p>k. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p> <p><b>To make bye-laws</b></p> <p>l. From time to time, make, vary and repeal bye-laws for the regulations of the business for the Company, its officers and servants.</p> <p><b>To set aside profits for provided fund</b></p> <p>m. Before recommending any dividends, to set-aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or</p>

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		<p>compensations; or to create any provident fund or benefit fund in such or any other manner as the Directors may deem fit.</p> <p><b>To make and alter rules</b></p> <p>n. To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual, employment, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.</p> <p>o. And generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or by these presents may stand prohibited.</p>
<b>Managing Director</b>	136.	<p>a. Subject to the provisions of Section 196 ,197, 2(94), 203 of the Act, the following provisions shall apply:</p> <p>b. The Board of Directors may appoint or re-appoint one or more of their body, not exceeding two, to be the Managing Director or Managing Directors of the Company for such period not exceeding 5 years as it may deem fit, subject to such approval of the Central Government as may be necessary in that behalf.</p> <p>c. The remuneration payable to a Managing Director shall be determined by the Board of Directors subject to the sanction of the Company in General Meeting and of the Central Government, if required.</p> <p>d. If at any time there are more than one Managing Director, each of the said Managing Directors may exercise individually all the powers and perform all the duties that a single Managing Director may be empowered to exercise or required to perform under the Companies Act or by these presents or by any Resolution of the Board of Directors and subject also to such restrictions or conditions as the Board may from time to time impose.</p> <p>e. The Board of Directors may at any time and from time to time designate any Managing Director as Deputy Managing Director or Joint Managing Director or by such other designation as it deems fit.</p> <p>f. Subject to the supervision, control and directions of the Board of Directors, the Managing Director/Managing Directors shall have the management of the whole of the business of the Company and of all its affairs and shall exercise all powers and perform all duties and in relation to the management of the affairs, except such powers and such duties as are required by Law or by these presents to be exercised or done by the Company in General Meeting or by the Board and also subject to such conditions and restrictions imposed by the Act or by these presents or by the Board of Directors. Without prejudice to the generality of the foregoing, the Managing Director/Managing Directors shall exercise all powers set out in Article 135 above except those which are by law or by these presents or by any resolution of the Board required to be exercised by the Board or by the Company in General Meeting.</p>
<b>Whole-time Director</b>	137.	<p>1. Subject to the provisions of the Act and subject to the approval of the Central Government, if any, required in that behalf, the Board may appoint one or more of its body, as Whole-time Director or Wholetime Directors on such designation and on such terms and conditions as it may deem fit. The Whole-time Directors shall perform such duties and exercise such powers as the Board may from time to time determine which shall exercise all such powers and perform all such duties subject to the control, supervision and directions of the Board and subject thereto the supervision and directions of the Managing Director. The remuneration payable to the Whole-time Directors shall be determined by the Company in General</p>

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		<p>Meeting, subject to the approval of the Central Government, if any, required in that behalf.</p> <p>2. A Whole-time Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be Whole-time Director, if he ceases to hold the Office of Director from any cause except where he retires by rotation in accordance with the Articles at an Annual General Meeting and is re-elected as a Director at that Meeting.</p>
<b>Secretary</b>	138.	The Board shall have power to appoint a Secretary a person fit in its opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The Secretary shall have such powers and duties as may, from time to time, be delegated or entrusted to him by the Board.
<b>Powers as to commencement of business</b>	139.	Subject to the provisions of the Act, any branch or kind of business which by the Memorandum of Association of the Company or these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Board at such time or times as it shall think fit and further may be suffered by it to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.
<b>Delegation of power</b>	140.	Subject to Section 179 the Board may delegate all or any of its powers to any Director, jointly or severally or to any one Director at its discretion or to the Executive Director.
<b>BORROWING</b>	141.	<p>a. The Board may, from time to time, raise any money or any moneys or sums of money for the purpose of the Company; provided that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 179 of the Act, the Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or transfer or convey the same absolutely or entrust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any such security.</p> <p>Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors, provided that subject to the provisions of clause next above, the Board may, from time to time, at its discretion, raise or borrow or secure the repayment of any sum or sums of money for the purpose of the Company as such time and in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by promissory notes or by opening current accounts, or by receiving deposits and advances, with or without security or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any land, building, bond or other property and</p>

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		security of the Company or or by such other means as them may seem expedient.
<b>Assignment of debentures</b>	142.	Such debentures, debenture stock, bonds or other securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.
<b>Terms of debenture issue</b>	143.	<p>a. Any such debenture, debenture stock, bond or other security may be issued at a discount, premium or otherwise, and with any special privilege as the redemption, surrender, drawing, allotment of shares of the Company, or otherwise, provided that debentures with the right to allotment or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.</p> <p>b. Any trust deed for securing of any debenture or debenture stock and or any mortgage deed and/or other bond for securing payment of moneys borrowed by or due by the Company and/or any contract or any agreement made by the Company with any person, firm, body corporate, Government or authority who may render or agree to render any financial assistance to the Company by way of loans advanced or by guaranteeing of any loan borrowed or other obligations of the Company or by subscription to the share capital of the Company or provide assistance in any other manner may provide for the appointment from time to time, by any such mortgagee, lender, trustee of or holders of debentures or contracting party as aforesaid, of one or more persons to be a Director or Directors of the Company. Such trust deed, mortgage deed, bond or contract may provide that the person appointing a Director as aforesaid may, from time to time, remove any Director so appointed by him and appoint any other person in his place and provide for filling up of any casual vacancy created by such person vacating office as such Director. Such power shall determine and terminate on the discharge or repayment of the respective mortgage, loan or debt or debenture or on the termination of such contract and any person so appointed as Director under mortgage or bond or debenture trust deed or under such contract shall cease to hold office as such Director on the discharge of the same. Such appointment and provision in such document as aforesaid shall be valid and effective as if contained in these presents.</p> <p>c. The Director or Directors so appointed by or under a mortgage deed or other bond or contract as aforesaid shall be called a Mortgage Director or Mortgage Directors and the Director if appointed as aforesaid under the provisions of a debenture trust deed shall be called “Debenture Director”. The words “Mortgage” or “Debenture Director” shall mean the Mortgage Director for the time being in office. The Mortgage Director or Debenture Director shall not be required to hold any qualification shares and shall not be liable to retire by rotation or to be removed from office by the Company. Such mortgage deed or bond or trust deed or contract may contain such auxiliary provision as may be arranged between the Company and mortgagee lender, the trustee or contracting party, as the case may be, and all such provisions shall have effect notwithstanding any of the other provisions herein contained but subject to the provisions of the Act.</p> <p>d. The Directors appointed as Mortgage Director or Debenture Director or Corporate Director under the Article shall be deemed to be ex-officio Directors.</p> <p>e. The total number of ex-officio Directors, if any, so appointed under this Article together with the other ex-officio Directors, if any, appointment under any other provisions of these presents shall not at any time exceed one-third of the whole number of Directors for the time being.</p>
<b>Charge on uncalled capital</b>	144.	Any uncalled capital of the Company may be included in or charged by mortgage or other security.
<b>Subsequent assignees of uncalled capital</b>	145.	Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject such prior charge, and

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		shall not be entitled, by notice to the shareholder or otherwise, to obtain priority over such prior charge.
<b>Charge in favour of Director of indemnity</b>	146.	If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.
<b>Powers to be exercised by Board only at meeting</b>	147.	<p>a. Subject to the provisions of the Act, the Board shall exercise the following powers on behalf of the Company and the said power shall be exercised only by resolution passed at the meetings of the Board.</p> <ul style="list-style-type: none"> <li>(a) to make calls on shareholders in respect of money unpaid on their shares;</li> <li>(b) to authorise buy-back of securities under section 68;</li> <li>(c) to issue securities, including debentures, whether in or outside India;</li> <li>(d) to borrow monies;</li> <li>(e) to invest the funds of the company;</li> <li>(f) to grant loans or give guarantee or provide security in respect of loans;</li> <li>(g) to approve financial statement and the Board's report;</li> <li>(h) to diversify the business of the company;</li> <li>(i) to approve amalgamation, merger or reconstruction;</li> <li>(j) to take over a company or acquire a controlling or substantial stake in another company;</li> <li>(k) to make political contributions;</li> <li>(l) to appoint or remove key managerial personnel (KMP);</li> <li>(m) to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>(n) to appoint internal auditors and secretarial auditor;</li> <li>(o) to take note of the disclosure of director's interest and shareholding;</li> <li>(p) to buy, sell investments held by the company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee company;</li> <li>(q) to invite or accept or renew public deposits and related matters;</li> <li>(r) to review or change the terms and conditions of public deposit;</li> <li>(s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> <li>(t) such other business as may be prescribed by the Act.</li> </ul> <p>b. The Board may by a meeting delegate to any Committee of the Board or to the Managing Director the powers specified in Sub-clauses, d, e and f above.</p> <p>c. Every resolution delegating the power set out in Sub-clause d shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the said delegate.</p> <p>d. Every resolution delegating the power referred to in Sub-clause e shall specify the total amount upto which the funds may be invested and the nature of investments which may be made by the delegate.</p> <p>e. Every resolution delegating the power referred to in Sub-clause f above shall specify the total amount upto which loans may be made by the delegate, the purposes for which the loans may be made, and the maximum amount of loans that may be made for each such purpose in individual cases.</p>
<b>Register of mortgage to be kept</b>	148.	The Directors shall cause a proper register and charge creation documents to be kept in accordance with the provisions of the Companies Act, 2013 for all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the

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		registration of mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the said Act, in regard to the registration of mortgages and charges therein specified and otherwise and shall also duly comply with the requirements of the said Act as to keeping a copy of every instrument creating any mortgage or charge by the Company at the office.
<b>Register of holders of debentures</b>	149.	Every register of holders of debentures of the Company may be closed for any period not exceeding on the whole forty five days in any year, and not exceeding thirty days at any one time. Subject as the aforesaid, every such register shall be open to the inspection of registered holders of any such debenture and of any member but the Company may in General Meeting impose any reasonable restriction so that at least two hours in every day, when such register is open, are appointed for inspection.
<b>Inspection of copies of and Register of Mortgages</b>	150.	The Company shall comply with the provisions of the Companies Act, 2013, as to allow inspection of copies kept at the Registered Office in pursuance of the said Act, and as to allowing inspection of the Register of charges to be kept at the office in pursuance of the said Act.
<b>Supplying copies of register of holder of debentures</b>	151.	The Company shall comply with the provisions of the Companies Act, 2013, as to supplying copies of any register of holders of debentures or any trust deed for securing any issue of debentures.
<b>Right of holders of debentures as to Financial Statements</b>	152.	Holders of debentures and any person from whom the Company has accepted any sum of money by way of deposit, shall on demand, be entitled to be furnished, free of cost, or for such sum as may be prescribed by the Government from time to time, with a copy of the Financial Statements of the Company and other reports attached or appended thereto.
<b>Minutes</b>	153.	<p>a. The Company shall comply with the requirements of Section 118 of the Act, in respect of the keeping of the minutes of all proceedings of every General Meeting and every meeting of the Board or any Committee of the Board.</p> <p>b. The Chairman of the meeting shall exclude at his absolute discretion such of the matters as are or could reasonably be regarded as defamatory of any person irrelevant or immaterial to the proceedings or detrimental to the interests of the Company.</p>
<b>Managing Director's power to be exercised severally</b>	154.	All the powers conferred on the Managing Director by these presents, or otherwise may, subject to any directions to the contrary by the Board of Directors, be exercised by any of them severally.
<b>Manager</b>	155.	Subject to the provisions of the Act, the Directors may appoint any person as Manager for such term not exceeding five years at a time at such remuneration and upon such conditions as they may think fit and any Manager so appointed may be removed by the Board.
<b>Common Seal</b>	156.	The Board shall provide a common seal of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the Registered Office of the Company and committed to the custody of the Directors.
<b>Affixture of Common Seal</b>	157.	The seal shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee and unless the Board otherwise determines, every deed or other instrument to which the seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, be signed by one Director and the Secretary in whose presence the seal shall have been affixed or such other person as may, from time to time, be authorised by the Board and provided nevertheless that any instrument bearing the seal of the Company issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Chairman or the Vice Chairman, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

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<b>Dividends And Reserves</b>	158.	<b>Rights to Dividend</b> The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of these presents as to the Reserve Fund, shall be divisible among the equity shareholders.
<b>Declaration of Dividends</b>	159.	The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
<b>What to be deemed net profits</b>	160.	The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.
<b>Interim Dividend</b>	161.	The Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
<b>Dividends to be paid out of profits only</b>	162.	No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.
<b>Reserve Funds</b>	163.	<p>a. The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper 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 equalising 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.</p> <p>b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.</p>
<b>Method of payment of dividend</b>	164.	<p>a. Subject to the rights of persons, if any, entitled to share 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.</p> <p>b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share.</p> <p>c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such shares shall rank for dividend accordingly.</p>
<b>Deduction of arrears</b>	165.	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 in relation to the shares of the Company or otherwise.
<b>Adjustment of dividend against call</b>	166.	Any General Meeting declaring a dividend or bonus may make a call on the members of such amounts as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and themselves, be set off against the call.
<b>Payment by cheque or warrant</b>	167.	<p>a. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directly 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 in the Register of Members or to such person and to such address of the holder as the joint holders may in writing direct.</p> <p>b. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>c. Every dividend or warrant or cheque shall be posted within thirty days from the date of declaration of the dividends.</p>

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<b>Retention in certain cases</b>	168.	<p>The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.</p> <p><b>Receipt of joint holders</b></p> <p>A). Where any instrument of transfer of shares has been delivered to the Company for registration on holders, the Transfer of such shares and the same has not been registered by the Company, it shall, and notwithstanding anything contained in any other provision of the Act:</p> <p>a) transfer the dividend in relation to such shares to the Special Account referred to in Sections 123 and 124 of the Act, unless the Company is authorised by the registered holder, of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer, and</p> <p>b) Keep in abeyance in relation to such shares any offer of rights shares under Clause(a) of Sub-section (1) of Section 62 of the Act, and any issue of fully paid-up bonus shares in pursuance of Sub-section (3) of Section 123 of the Act”.</p>
<b>Deduction of arrears</b>	169.	Any one of two of the joint holders of a share may give effectual receipt for any dividend, bonus, or other money payable in respect of such share.
<b>Notice of Dividends</b>	170.	Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
<b>Dividend not to bear interest</b>	171.	No dividend shall bear interest against the Company.
<b>Unclaimed Dividend</b>	172.	No unclaimed dividends shall be forfeited. Unclaimed dividends shall be dealt with in accordance to the provisions of Sections 123 and 124 of the Companies Act, 2013.
<b>Transfer of share not to pass prior Dividend</b>	173.	Any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
<b>Capitalisation of Profits</b>	174.	<p>a) The Company in General Meeting, may on the recommendation of the Board, resolve:</p> <ol style="list-style-type: none"> <li>1. that the whole or any part of any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Fund or any money, investment or other asset forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the General Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised; and</li> <li>2. that such sum be accordingly set free for distribution in the manner specified in Sub-clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.</li> </ol> <p>b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in Subclause (3) either in or towards:</p> <ol style="list-style-type: none"> <li>1. paying up any amount for the time being unpaid on any share held by such members respectively;</li> <li>2. paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportion aforesaid; or</li> <li>3. partly in the way specified in Sub-clause (i) and partly in that specified in Sub-clause (ii).</li> </ol> <p>c) A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of</p>

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		<p>unissued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>d) The Board shall give effect to resolutions passed by the Company in pursuance of this Article.</p>
<b>Powers of Directors for declaration of Bonus</b>	175.	<p>a. Whenever such a resolution as aforesaid shall have been passed, the Board shall:</p> <ol style="list-style-type: none"> <li>1. make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issue or fully paid shares if any; and</li> <li>2. generally do all acts and things required to give effect thereto.</li> </ol> <p>b. The Board shall have full power:</p> <ol style="list-style-type: none"> <li>1. to make such provision by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions and also;</li> <li>2. 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 the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.</li> </ol> <p>c. Any agreement made under such authority shall be effective and binding on all such members.</p>
<b>ACCOUNTS</b> <b>Books of account to be kept</b>	176.	<p>a. The Board shall cause proper books of accounts to be kept in respect of all sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, and of the assets and liabilities of the Company.</p> <p>b. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be, with respect to the matters aforesaid, and explain in transactions.</p> <p>c. The books of accounts shall be open to inspection by any Director during business hours.</p>
<b>Where books of account to be kept</b>	177.	The books of account shall be kept at the Registered Office or at such other place as the Board thinks fit.
<b>Inspection by members</b>	178.	The Board shall, from time to time, determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspection any account or book or document of the Company except as conferred by statute or authorised by the Board or by a resolution of the Company in General Meeting.
<b>Statement of account to be furnished to General Meeting</b>	179.	The Board shall lay before such Annual General Meeting , financial statements made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months or such extension of time as shall have been granted by the Registrar under the provisions of the Act.
<b>Financial Statements</b>	180.	Subject to the provisions of Section 129, 133 of the Act, every financial statements of the Company shall be in the forms set out in Parts I and II respectively of Schedule III of the Act, or as near thereto as circumstances admit.
<b>Authentication of Financial Statements</b>	181.	a. Subject to Section 134 of the Act, every financial statements of the Company shall be signed on behalf of the Board by not less than two Directors.

Title of Articles	Article Number	Content
		b. The financial statements shall be approved by the Board before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the Auditors for their report thereon.
<b>Auditors Report to be annexed</b>	182.	The Auditor's Report shall be attached to the financial statements.
<b>Board's Report to be attached to Financial Statements</b>	183.	<p>a. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board with respect to the state of the Company's affairs, the amounts, if any, which it proposes to carry to any reserve either in such Balance Sheet or in a subsequent Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend.</p> <p>b. The report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to its business or that of any of its subsidiaries, deal with any change which has occurred during the financial year in the nature of the Company's business or that of the Company's subsidiaries and generally in the classes of business in which the Company has an interest and material changes and commitments, if any, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the report.</p> <p>c. The Board shall also give the fullest information and explanation in its report or in case falling under the provision of Section 134 of the Act in an addendum to that Report on every reservation, qualification or adverse remark contained in the Auditor's Report.</p> <p>d. The Board's Report and addendum, if any, thereto shall be signed by its Chairman if he is authorised in that behalf by the Board; and where he is not authorised, shall be signed by such number of Directors as is required to sign the Financial Statements of the Company under Article 181.</p> <p>e. The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Sub-clauses (a) to (e) of this Article are complied with.</p>
<b>Right of member to copies of Financial Statements</b>	184.	The Company shall comply with the requirements of Section 136.
<b>Annual Returns</b>	185.	The Company shall make the requisite annual return in accordance with Section 92 of the Act.
<b>Audit</b>	186.	<p><b>Accounts to be audited</b></p> <p>a. Every Financial Statement shall be audited by one or more Auditors to be appointed as hereinafter mentioned.</p> <p>b. Subject to provisions of the Act, The Company at the Annual General Meeting shall appoint an Auditor or Firm of Auditors to hold office from the conclusion of that meeting until the conclusion of the fifth Annual General Meeting and shall, within seven days of the appointment, give intimation thereof to every Auditor so appointed unless he is a retiring Auditor.</p> <p>c. At every Annual General Meeting, reappointment of such auditor shall be ratified by the shareholders.</p> <p>d. Where at an Annual General Meeting no Auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.</p> <p>e. The Company shall, within seven days of the Central Government's power under Sub-clause (d) becoming exercisable, give notice of that fact to that Government.</p>

Title of Articles	Article Number	Content
		<p>f. 1. The first Auditor or Auditors of the Company shall be appointed by the Board of Directors within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.            Provided that the Company may at a General Meeting remove any such Auditor or all or any of such Auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any such member of the Company and of whose nomination notice has been given to the members of the Company, not less than 14 days before the date of the meeting; and</p> <p>2. If the Board fails to exercise its power under this Sub-clause, the Company in General Meeting may appoint the first Auditor or Auditors.</p> <p>g. The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>h. A person other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless Special Notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 115 of the Act and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act and all other provisions of Section 140 of the Act shall apply in the matter. The provisions of this Sub-clause shall also apply to a resolution that retiring Auditor shall be reappointed.</p> <p>i. The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.</p> <p>j. Subject to the provisions of Section 146 of the Act, the Auditor of the company shall attend general meetings of the company.</p>
<b>Audit of Branch Offices</b>	187.	The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of Branch Offices of the Company.
<b>Remuneration of Auditors</b>	188.	The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditor appointed to fill and casual vacancy may be fixed by the Board.
<b>Rights and duties of Auditors</b>	189.	<p>(a) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of his duties as Auditor.</p> <p>(b) All notices of, and other communications relating to any General Meeting of a Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.</p> <p>(c) The Auditor shall make a report to the members of the Company on the accounts examined by him and on Financial statements and on every other document declared by this Act to be part of or annexed to the Financial statements, which are laid before the Company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to explanations given to him, the said accounts give the information required by this Act in the manner so required and give a true and fair view:</p>

Title of Articles	Article Number	Content
		<ol style="list-style-type: none"> <li>1. in the case of the Balance Sheet, of the state of affairs as at the end of the financial year and</li> <li>2. in the case of the Statement of Profit and Loss, of the profit or loss for its financial year.</li> </ol> <p>(d) The Auditor's Report shall also state:</p> <ol style="list-style-type: none"> <li>(a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit and if not, the details thereof and the effect of such information on the financial statements;</li> <li>(b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;</li> <li>(c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company's auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;</li> <li>(d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;</li> <li>(e) whether, in his opinion, the financial statements comply with the accounting standards;</li> <li>(f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;</li> <li>(g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;</li> <li>(h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;</li> <li>(i) whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;</li> <li>(j) whether the company has disclosed the impact, if any, of pending litigations on its financial position in its financial statement;</li> <li>(k) whether the company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;</li> <li>(l) whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.</li> </ol> <p>(e) Where any of the matters referred to in Clauses (i) and (ii) of Sub-section (2) of Section 143 of the Act or in Clauses (a), (b) and (c) of Sub-section (3) of Section 143 of the Act or Sub-clause (4) (a) and (b) and (c) hereof is answered in the negative or with a qualification, the Auditor's Report shall state the reason for such answer.</p> <p>(f) The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.</p>
<b>Accounts whether audited and approved to be conclusive</b>	190.	Every account of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period, the accounts shall forthwith be corrected, and henceforth be conclusive.
<b>Service of documents on the Company</b>	191.	A document may be served on the Company or any officer thereof by sending it to the Company or officer at the Registered Office of the Company by Registered Post, or by leaving it at the Registered Office or in electronic mode in accordance with the provisions of the act.

Title of Articles	Article Number	Content
<b>How documents to be served to members</b>	192.	<p>a) A document (which expression for this purpose shall be deemed to included and shall include any summons, notice, requisition, process, order judgement or any other document in relation to or the winding up of the Company) may be served personally or by sending it by post to him to his registered address or in electronic mode in accordance with the provisions of the act., or (if he has no registered address in India) to the address, if any, within India supplied by him to the Company for the giving of notices to him.</p> <p>b) All notices shall, with respect to any registered shares to which persons are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.</p> <p>c) Where a document is sent by post:</p> <p>i. i.service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under a Certificate of Posting or by Registered Post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member, and such service shall be deemed to have been effected;</p> <p>a. a.in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and</p> <p>b. b.in any other case, at the time at which the letter should be delivered in the ordinary course of post.</p>
<b>Members to notify address in India</b>	193.	Each registered holder of share(s) shall, from time to time, notify in writing to the Company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.
<b>Service on members having no registered address in India</b>	194.	If a member has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him, a document advertised in a newspaper circulating in the neighbourhood of the Registered Office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
<b>Service on persons acquiring shares on death or insolvency of members</b>	195.	A document may be served by the Company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of deceased or assignees of the insolvent or by any like descriptions at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
<b>Notice valid though member deceased</b>	196.	Any notice of document delivered or sent by post or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member by then deceased and whether or not the Company has notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any, jointly interested with him or her in any such share.
<b>Persons entitled to Notice of General Meeting</b>	197.	Subject to the provisions of Section 101 the Act and these Articles, notice of General Meeting shall be given to;

Title of Articles	Article Number	Content
		a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member; b) the auditor or auditors of the company; and c) every director of the company. Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.
<b>Advertisement</b>	198.	a. Subject to the provisions of the Act, any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district where the Registered Office of the Company is situated. b. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register shall be duly given to the person from whom he derived his title to such share or stock.
<b>Transference, etc. bound by prior notices</b>	199.	Every person, who by the operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered in the Register, shall have been duly served on or sent to the person from whom he derives his title to the share.
<b>How notice to be signed</b>	200.	Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.
<b>Authentication of document and proceeding</b>	201.	Save as otherwise expressly provided in the Act or these Articles, a document or proceeding requiring authentication by the Company may be signed by a Director, or the Managing Director or an authorised officer of the Company and need not be under its seal.
<b>Winding up</b>	202.	Subject to the provisions of the Act as to preferential payments, the assets of a Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, be distributed among the members according to their rights and interests in the Company.
<b>Division of assets of the Company in specie among members</b>	203.	If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, and part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares, to be divided as aforesaid involves a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.
<b>Indemnity And Responsibility</b>	204.	<b>Directors' and others' right to indemnity</b> a. Subject to the provisions of Section 197 of the Act every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all costs, losses, and expenses (including travelling expenses) which Service of documents on the Company any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.

Title of Articles	Article Number	Content
		<p>b. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgement is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.</p>
	205.	<p>Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company, or for the insufficiency or deficiency of title to any property acquired by order of the Directors for and on behalf of the Company or for the insufficiency or deficiency of any money invested, or for any loss or damages arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgement or oversight on his part of for any loss or damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own act or default.</p>
<b>Secrecy Clause</b>	206.	<p>a. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.</p> <p>b. Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.</p>
<b>Registers, Inspection and copies Thereof</b>	207.	<p>a. Any Director or Member or person can inspect the statutory registers maintained by the company, which may be available for inspection of such Director or Member or person under provisions of the act by the company, provided he gives fifteen days' notice to the company about his intention to do so.</p> <p>b. Any, Director or Member or person can take copies of such registers of the company by paying ₹ 10 per Page to the company. The company will take steps to provide the copies of registers to such person within Fifteen days of receipt of money.</p>
<b>General Authority</b>	208.	<p>Wherever in the applicable provisions under the Act, it has been provided that, any Company shall have any right, authority or that such Company could carry</p>

Title of Articles	Article Number	Content
		out any transaction only if the Company is authorised by its Articles, this regulation hereby authorises and empowers the Company to have such right, privilege or authority and to carry out such transaction as have been permitted by the Act without there being any specific regulation or clause in that behalf in this articles.

## SECTION XIV – 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/submission of the Red Herring Prospectus /Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at B-406, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad -380015, Gujarat from date of filing the Red Herring Prospectus with ROC on all Working Days until the Bid/Issue Closing Date.

#### A. MATERIAL CONTRACTS

1. Issue Agreement dated July 13, 2022, executed between our Company and Book Running Lead Manager to the Issue.
2. Registrar and Transfer Agent Agreement dated July 13, 2022, executed between our Company and the Registrar to the Issue.
3. Market Making Agreement dated [●], executed between our Company, Book Running Lead Manager and Market Maker to the Issue.
4. Banker to the Issue Agreement dated [●], executed between our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●], executed between our Company, Book Running Lead Manager, and Underwriter.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Offer dated March 21, 2022.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Offer dated March 22, 2022.

#### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Certificate from M/s. M/s. Abhishek Kumar & Associates, Chartered Accountants, Ahmedabad dated [●] regarding the source of capital contribution for minimum promoter contribution.
3. Board Resolution dated June 28, 2022 and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EoGM by the shareholders of our Company held on June 30, 2022.
4. Statement of Tax Benefits dated July 13, 2022 issued by our Statutory Auditors M/s. Abhishek Kumar & Associates, Chartered Accountants.
5. Copy of Restated Financial Statement along with Report from the peer review certified auditor M/s. Abhishek Kumar & Associates, Chartered Accountants, Ahmedabad for the financial year ended on March 31, 2022, 2021 and 2020, dated July 13, 2022 included in this Draft Red Herring Prospectus.
6. Copy of Audited Financial Statement for the year/period ended on March 2022, November 24, 2021, March 31, 2021 and 2020.
7. Copy of Certificate from M/s. Abhishek Kumar & Associates, Chartered Accountants, Ahmedabad dated July 12, 2022, regarding the source and deployment towards the objects of the Offer.
8. Consents of Promoter, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, Advisors to the Issue, the BRLM to the Issue, Registrar to the Issue, [●], [●], [●] and [●] to act in their respective capacities.
9. Due Diligence Certificate from Book Running Lead Manager dated July 29, 2022, addressing SEBI.
10. Copy of Board Resolutions and Shareholders' Resolutions for appointment and fixing of remunerations of Mr. Vipul Jatashaker Bhatt as Chairman and Managing Director, Mr. Jay Vipul Bhatt as Whole Time Director and Mr. Sangeeta Vipul Bhatt as Whole Time Director.
11. Copy of In-principle approval letter dated [●] from the NSE.

Any of the contracts or documents mentioned in the 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, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

### DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**Signed by the Directors of the Company:**

Name	Designation	Signature
Mr. Vipul Jatashaker Bhatt	Chairman cum Managing Director	sd/-
Mrs. Sangeeta Vipul Bhatt	Whole Time Director	sd/-
Mr. Jay Vipul Bhatt	Whole Time Director	sd/-
Mr. Deepakkumar Kushalchandra Chaubisa	Independent Director	sd/-
Mr. Hetalkumar Jayantilal Shah	Independent Director	sd/-

**Signed by:**

Name	Designation	Signature
Ms. Ketki Ajay Oza	Chief Financial Officer	sd/-
Mrs. Puja Paras Mehta	Company Secretary & Compliance Officer	sd/-

**Place: Ahmedabad**

**Date: July 29, 2022**