



## CITICHEM INDIA LIMITED

**Corporate Identification Number: U24100MH1992PLC065975**

REGISTERED OFFICE		CONTACT PERSON	EMAIL ADDRESS	CONTACT NUMBER	WEBSITE
7, Floor 1, Plot No 96, Dhram Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai - 400003, Maharashtra, India.		Mr. Hashim Arif Merchant	marketing@citichemindia.com/ citichemindialtd@gmail.com	+91-7506196222/ +919223432143	www.citichemindia.com
NAME OF THE PROMOTER OF THE COMPANY					
Mr. Arif Esmail Merchant					
DETAILS OF THE OFFER TO PUBLIC					
Type	Fresh Issue Size (by Rs in Lakhs)	OFS* (by no. of shares or by amount in Rs)	Total Size	Eligibility & Share Reservation among NII & RII	
Fresh Issue	Up to 18,00,000 Equity Shares of Rs. 10/- aggregating up to Rs. [●]	Nil	Up to 18,00,000 Equity Shares of Rs. 10/- aggregating up to Rs. [●]	The Issue is being made pursuant to Regulation 229 (1) of SEBI (ICDR) Regulations as the Company's post issue paid-up capital is less than Rs10.00 crore. For details in relation to share reservation among NIIs and RIIs, see 'Issue Structure' on page 225	
*OFS: Offer for Sale					
DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS - NA					
There is no offer for sale for the purpose of this Issue.					
RISKS IN RELATION TO THE FIRST ISSUE					
This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs 10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in ' <i>Basis for Issue Price</i> ' on page 82 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.					
GENERAL RISK					
Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ('SEBI'), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section ' <i>Risk Factors</i> ' beginning on page 26 of this Draft Prospectus.					
ISSUER'S ABSOLUTE RESPONSIBILITY					
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of this Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft 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 of our Company offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations. Our Company has received an 'in-principle' approval letter dated [●] from BSE Limited for using its name in the Draft Prospectus for listing of our shares on the SME Platform of BSE Limited. For the purpose of this Issue, SME Platform of BSE Limited shall be the Designated Stock Exchange.					
LEAD MANAGER			REGISTRAR TO THE ISSUE		
 <b>HORIZON MANAGEMENT PRIVATE LIMITED</b> <b>Principal Place of Business:</b> 19, R. N. Mukherjee Road, Main Building, 2 <sup>nd</sup> Floor, Kolkata – 700001, India. <b>Telephone:</b> +91-33 4600 0607 <b>Email:</b> akash.das@horizon.net.co <b>Investor Grievance Email ID:</b> investor.relations@horizon.net.co <b>Contact Person:</b> Akash Das <b>Website:</b> www.horizonmanagement.in <b>SEBI Registration Number:</b> INM000012926 <b>CIN:</b> U74140WB1996PTC077991			 <b>KFIN TECHNOLOGIES LIMITED</b> Selenium, Tower-B, Plot 31 & 32, Gachibowli Financial District Nanakramguda, Hyderabad – 500032, Telangana, India <b>Telephone:</b> +91-40-6716-2222 <b>Email:</b> citichemindia.ipo@kfintech.com <b>Investor Grievance Email ID:</b> einward.ris@kfintech.com <b>Contact Person:</b> M Murali Krishna <b>Website:</b> www.kfintech.com <b>SEBI Registration Number:</b> INR000000221 <b>CIN:</b> L72400TG2017PLC117649		
ISSUE PROGRAMME					
ISSUE OPENS ON: [●]			ISSUE CLOSES ON: [●]		



## CITICHEM INDIA LIMITED

**Corporate Identification Number: U24100MH1992PLC065975**

Our Company was incorporated as 'Citichem Alkalies (Bombay) Private Limited' pursuant to a Certificate of Incorporation dated March 18, 1992, issued by the Registrar of Companies, Maharashtra, as a private company under the provisions of the Companies Act, 1956. Further, our Company was converted into public limited company and consequently name of our Company was changed from 'Citichem Alkalies (Bombay) Private Limited' to 'Citichem Alkalies (Bombay) Limited' vide special resolution passed by the shareholders of the Company at an extra-ordinary general meeting held on March 01, 1999, and a fresh certificate of incorporation dated March 12, 1999 was issued by Registrar of Companies, Maharashtra. Thereafter, pursuant to fresh certificate of incorporation dated April 17, 1999, the name of our company has been changed from 'Citichem Alkalies (Bombay) Limited' to 'Citichem India Ltd'. The Corporate Identification Number of our Company is U24100MH1992PLC065975. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled '**General Information**' and '**History and Certain Corporate Matters**' beginning on page 52 and 119 respectively of this Draft Prospectus.

**Registered office:** 7, Floor 1, Plot No 96, Dhram Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai - 400003, Maharashtra, India.

**Corporate office:** 512, 5th floor Yogeshwar Premises 135, Kazi Sayed Street, Masjid Bunder West, Mumbai 400003, Maharashtra, India

**Tel:** +91-7506191222/ +91-9223432143; **E-mail:** marketing@citichemindia.com/ citichemindia1td@gmail.com; **Website:** www.citichemindia.com.

**Contact Person:** Hashim Arif Merchant, Director

### THE PROMOTER OF THE COMPANY IS MR. ARIF ESMAIL MERCHANT

**INITIAL PUBLIC ISSUE OF UPTO 18,00,000 EQUITY SHARES OF FACE VALUE OF RS.10 EACH OF CITICHEM INDIA LIMITED (THE 'COMPANY' OR THE 'ISSUER') FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE (THE 'ISSUE PRICE') AGGREGATING TO RS. [●] ('THE ISSUE'), OF WHICH UP TO [●] EQUITY SHARES FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE AGGREGATING TO RS. [●] 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 AT A PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING TO RS. [●] 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.**

### THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS

**For further details see 'Terms of the Issue' beginning on page 217 of this Draft Prospectus.**

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility process including through UPI mode (as applicable) for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ('SCSBs') as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled '**Issue Procedure**' beginning on page 228 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15 % per annum for the period of delay.

### THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE.

This Issue is being made in terms of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (The '**SEBI (ICDR) Regulations**'), As amended. in terms of Rule 19(2)(B)(I) of the Securities Contracts (Regulation) Rules, 1957, As amended, this is an Issue for at least 25% of the Post-Issue Paid-Up Equity Share Capital of our Company. This Issue is a Fixed Price Issue and Allocation in the Net Issue to the Public will be made Terms of Regulation 253 of the SEBI (ICDR) Regulations. For Further Details, refer '**Issue Procedure**' on page 228 of this Draft Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs.10.00/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in '**Basis for Issue Price**' on page 82 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 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 Prospectus. Specific attention of the investors is invited to the section titled '**Risk Factors**' beginning on page 26 of this Draft Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft 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 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the BSE SME Platform of BSE ('BSE SME'). In terms of the Chapter IX of the SEBI (ICDR) Regulations. Our Company has received In-Principle Approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the BSE SME platform of BSE Limited. For the purpose of this Issue, the designated Stock Exchange will be the SME Platform of BSE Limited.

#### LEAD MANAGER



#### **HORIZON MANAGEMENT PRIVATE LIMITED**

**Principal Place of Business:** 19, R. N. Mukherjee Road, Main Building, 2<sup>nd</sup> Floor, Kolkata – 700001, India.

**Telephone:** +91-33 4600 0607

**Email:** akash.das@horizon.net.co

**Investor Grievance Email ID:** investor.relations@horizon.net.co

**Contact Person:** Akash Das

**Website:** www.horizonmanagement.in

**SEBI Registration Number:** INM000012926

**CIN:** U74140WB1996PTC077991

#### REGISTRAR TO THE ISSUE



#### **KFIN TECHNOLOGIES LIMITED**

Selenium, Tower-B, Plot 31& 32, Gachibowli Financial District Nanakramguda, Hyderabad – 500032, Telangana, India

**Telephone:** +91-40-6716-2222

**Email:** citichemindia.ipo@kfintech.com

**Investor Grievance Email ID:** einward.ris@kfintech.com

**Contact Person:** M Murali Krishna

**Website:** www.kfintech.com

**SEBI Registration Number:** INR000000221

**CIN:** L72400TG2017PLC117649

### ISSUE PROGRAMME

**ISSUE OPENS ON:** [●]

**ISSUE CLOSES ON:** [●]

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**PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF  
CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018)**

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, directions, guidelines, circulars, notifications, clarifications or policies shall be to such legislations, acts, regulations, rules, guidelines or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.*

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

*The terms not defined herein but used in the sections titled 'Basis of Issue price', 'Statement of Special Tax Benefits', 'Industry Overview', 'Our Business', 'Key Regulations and Policies in India', 'History and Certain Corporate Matters', 'Our Group Companies', 'Financial Information', 'Outstanding Litigation and Material Developments', 'Offer Procedure' and 'Description of Equity Shares and Terms of Articles of Association' on pages 82,90,94, 103, 110, 119, 137, 140, 184, 228, and 277, respectively of this Draft Prospectus, shall have the meanings ascribed to such terms in these respective sections.*

#### General Terms

Term	Description
Our Company/ the Issuer/ the Company'	Citichem India Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered located at 7, Floor-1, Plot-96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai Maharashtra- 400003 and corporate office located at 512, 5th floor Yogeshwar Premises 135, Kazi Sayed Street, Masjid Bunder West Mumbai 400003 Maharashtra India
We/ us/ our	Unless the context otherwise indicates or implies, refers to our Company

#### Company related Terms

Term	Description
Articles of Association /AoA / Articles	Articles of association of our Company, as amended.
Audit Committee	Audit committee of our Board, as described in ' <b>Our Management – Committees of the Board</b> ' beginning on page 127 of this Draft Prospectus.
Board/ Board of Directors	Board of Directors of our Company, as constituted from time to time.
Chairman	Non-executive chairman of our Board, namely, Mr. Arif Esmail Merchant.
Chief Financial Officer/ CFO	Chief financial officer of our Company, namely, Ms. Farheen Ansari.
Committee(s)	Duly constituted committee(s) of our Board of Directors.
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely, Mrs. Puja Sharma.
Corporate Office	The corporate office of our Company is located at at 512, 5th floor Yogeshwar Premises 135, Kazi Sayed Street, Masjid Bunder West, Mumbai 400003, Maharashtra, India
Director(s)	Director(s) on the Board.
Equity Shares	The equity shares of our Company bearing face value of Rs10 each.
Executive Director	Executive director of our Company, namely Mr. Hashim Arif Merchant. For details, see ' <b>Our Management</b> ' beginning on page 122 of this Draft Prospectus.
Memorandum of Association/ MoA	Memorandum of association of our Company, as amended.
Independent Director(s)	Independent director(s) of our Board. For details of the Independent Directors, see ' <b>Our Management</b> ' beginning on page 122 of this Draft Prospectus.
IPO Committee	The IPO committee of our Board, as described in ' <b>Our Management – Committees of the Board</b> ' on page 122 of this Draft Prospectus.

Term	Description
Statutory Auditor	M/s NGST and Associates, Chartered Accountants, the statutory auditor of our Company.
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the ICDR Regulations and Section 2(51) of the Companies Act, as described in ' <b>Our Management – Key Managerial Personnel</b> ' on page 122 of this Draft Prospectus.
Managing Director	Mr. Arif Esmail Merchant is the Managing Director. For details, see ' <b>Our Management</b> ' beginning on page 122 of this Draft Prospectus.
Nomination and Remuneration Committee/ NRC Committee	Nomination and remuneration committee of our Board, as described in ' <b>Our Management – Committees of the Board</b> ' on page 129 of this Draft Prospectus.
Non-Executive Directors	The non-executive directors (other than Independent Directors) of our Company in terms of the Companies Act, as set out in ' <b>Our Management</b> ' beginning on page 122 of this Draft Prospectus.
Peer Review Auditor	M/s GGPS and Associates, Chartered Accountants, the Peer Review Auditor of our company.
Promoter Group(s)	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the ICDR Regulations, as described in 'Our Promoters and Promoter Group' on page 134 of this Draft Prospectus.
Promoter	Promoter of our Company is Mr. Arif Esmail Merchant.
Registered Office	7, Floor 1, Plot No 96, Dhram Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai - 400003, Maharashtra, India.
Registrar of Companies/ RoC	Registrar of Companies, Mumbai at Maharashtra.
Restated Financial Information/ Restated Financial Statements	The financial information prepared by the management of our Company from its audited financial statements for the stub period ended January 31, 2024 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with the Companies (Accounting Standards) Rules, 2021 and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by ICAI, as amended from time to time.
Shareholder(s)	Equity shareholder(s) of our Company from time to time.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in ' <b>Our Management – Committees of the Board</b> ' on page 130 of this Draft Prospectus.

#### Issue related Terms

Term	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of ICDR Regulations and appended to the Application Form.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to an Investor as proof of registration of the Application Form.
Allot/ Allotment/ Allotted	Unless the context otherwise requires, allotment (in case of the Fresh Issue) of the Equity Shares pursuant to the Offer to the successful Investor.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Investor who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Investor to whom the Equity Shares are Allotted.
Application	An indication to make an offer during the Issue Period by an ASBA Applicant pursuant to submission of the ASBA Form, to subscribe to or purchase the Equity Shares at the Issue Price including all revisions and modifications thereto as permitted under the ICDR Regulations and in terms of the and the Application Form.
Applicant/ Investor	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied, which includes an ASBA Applicant.
Application Amount	The Issue Price as indicated in the Application Form and payable by the Applicant or blocked in the ASBA Account of the ASBA Applicant, as the case may be, upon submission of the Application.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicant, to make an Application and authorizing an SCSB to block the Application Amount in the relevant ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by UPI Applicants using the UPI Mechanism.

Term	Description
ASBA Account	A bank account maintained by ASBA Applicants with an SCSB and specified in the ASBA Form submitted by such ASBA Applicant in which funds will be blocked by such SCSB to the extent as specified in the ASBA Form submitted by such ASBA Applicant and includes a bank account maintained by a UPI Applicant linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to an Application by a UPI Applicant through the UPI Mechanism
ASBA Applicant	An Application made by an ASBA Applicant
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant to submit Application, which will be considered as the application for Allotment in terms of the Prospectus
Bankers to the Company	Such banks which are disclosed as Banker(s) to our Company in the ' <b>General Information</b> ' on page 52 of this Draft Prospectus.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●].
Bankers to the Issue Agreement	Agreement dated [●], entered into between our Company, Lead Manager, the Registrar to the Issue, Banker to the Issue and Sponsor Bank for collection of the Application Amount on the terms and conditions thereof.
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Applicant under the Issue. For details, see ' <b>Offer Procedure</b> ' beginning on page 228 of this Draft Prospectus.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Broker Centers	Broker centers notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and the contact details of the Registered Brokers are available on the website of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a>
Client ID	The client identification number maintained with one of the Depositories in relation to dematerialized account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications from relevant Applicant at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Confirmation of Allocation Note/ CAN	A notice or intimation of allocation of the Equity Shares, sent to each successful Applicant who have been allocated Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange
Demographic Details	The demographic details of the Applicant including the Applicants' address, name of the Applicants' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Applicant, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Applicant can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Applicants using UPI Mechanism, instruction issued through the Sponsor Bank(s) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Prospectus, following which the Equity Shares will be Allotted in the Issue.
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to Retail Individual Investors using the UPI Mechanism), Registered Brokers, CDPs

Term	Description
	and RTAs, who are finalized to collect Application Forms from the relevant Applicants, in relation to the Issue. In relation to ASBA Forms submitted by UPI Applicants where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Applicant using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, SCSBs, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to ICDR Regulations
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated Stock Exchange/ Stock Exchange	SME Platform of BSE Limited.
Draft Prospectus	This draft prospectus dated Tuesday, April 18, 2023, filed with the Stock Exchange and issued in accordance with the ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Application Form and Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom Application Form and Prospectus constitutes an invitation to purchase the Equity Shares
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favor the Applicants (excluding the ASBA Applicants) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Application Amount when submitting an application.
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being, [●]
First Applicant/ Sole Applicant	The Applicant whose name shall be mentioned in Application Form or the Revision Form and in case of joint Applicant, whose name also appears as the first holder of the beneficiary account held in joint names.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document/ GID	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, as updated and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchange and the Lead Manager.
Issue	Fresh issue of up to 18,00,000 Equity Shares cash at a price of Rs [●] per Equity share (including securities premium of Rs [●] per Equity Share) aggregating up to Rs [●] Lakhs by our Company.
Issue Agreement	The agreement dated Wednesday, April 24, 2024 entered amongst our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date after which the Designated Intermediaries will not accept any Applications, being [●]. In case of any revisions, the Issue Closing Date will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the websites of the Lead Manager and at the terminals of the other members of the Syndicate

Term	Description
	and by intimation to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Issue Opening Date was published, as required under the ICDR Regulations.
Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Applications, being [●], which shall be notified in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation.
Issue Period	T period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Investors can submit their Application, including any revisions thereof, in accordance with the ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days.
Issue Price	A price of Rs [●] per Equity share (including securities premium of Rs [●] per Equity Share) aggregating up to Rs [●] Lakhs, which is being issued by our Company and in consultation with the Lead Manager under this Draft Prospectus.
Issue Proceeds	The gross proceeds of the Issue which shall be available to our Company, based on the total number of Equity Shares Allotted at the Issue Price. For further information about use of the Issue Proceeds, see ' <i>Objects of the Issue</i> ' beginning on page 75 of this Draft Prospectus.
KPI	Key Performance Indicator(s)
Lead Manager	The Lead Manager to the Issue is Horizon Management Private Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Market Lot	The Market lot and Trading lot for the Equity Share is [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to a minimum allotment of [●] Equity Shares to the successful Applicants.
Market Maker Reservation Portion	The Reserved portion of [●] Equity Shares at an Issue Price of Rs [●] aggregating to Rs [●] Lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●].
Minimum Non-Institutional Applicants Application Size	Application Amount of more than Rs. 2 Lakhs
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters' of 20% and locked-in for a period of three years from the date of Allotment.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Issue	The Issue less the Market Maker Reservation Portion and the Shareholder Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Issue expenses. For details in relation to use of the Net Proceeds and the Offer expenses, see ' <i>Objects of the Issue</i> ' beginning on page 75 of this Draft Prospectus.
Non-Institutional Applicants / NII	All Applicants that are not QIBs, RIIs and who have Application for Equity Shares, for an amount of more than Rs 2 Lakhs (but not including NRIs other than Eligible NRIs).
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs, and FVCIs.
Non-Resident Indians/ NRI(s)	A non-resident Indian as defined under the FEMA Rules.
Person(s)	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.
Pricing Date	The date on which our Company in consultation with the Lead Manager will finalize the Issue Price.



Term	Description
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date and at least three Working Days before the Issue Opening Date in accordance with Sections 26 and 32 of the Companies Act, and the ICDR Regulations containing, <i>inter alia</i> , the Issue Price that is determined, and certain other information including any addenda or corrigenda thereto.
Public Issue Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act, with the Public Offer Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Issue Bank(s)	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Issue Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●].
Qualified Institutional Buyers/ QIB	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Application Amount to the Investors shall be made.
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids from relevant Bidders in terms of the SEBI circular number CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI and the UPI Circulars.
Registrar Agreement	Registrar agreement dated Wednesday, June 01, 2024 entered into between our Company, and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Registrar to the Issue / Registrar	The Registrar to the Issue is KFin Technologies Limited.
Retail Individual Investor(s)/ RII(s)	Individual Investors submitting Applications, who have Application for the Equity Shares for an amount not more than Rs2 Lakhs in the Issue (including HUFs applying through their Karta and Eligible NRIs).
Revision Form	The form used by Investors to modify the quantity of the Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their application (in terms of quantity of Equity Shares) at any stage. Retail Individual Investor bidding in the Retail Portion, (subject to the Application Amount being up to Rs2 Lakhs) can revise their Application (s) during the Issue Period and withdraw their Application(s) until Issue Closing Date.
RTAs/ Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Applications from relevant Applicant at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> .
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System.
Self Certified Syndicate Bank(s)/ SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be prescribed by SEBI and updated from time to time.
SME Platform of BSE Limited	SME Platform of BSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations
Specified Locations	The Bidding centers where the Syndicate shall accept Application Forms from relevant Bidders, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sponsor Bank(s)	[●], being Banker to the Offer registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchange and NPCI in order to push the mandate collect requests and/ or payment instructions of UPI Applicants using the UPI Mechanism, in terms of the UPI Circulars.



Term	Description
Systemically Important Non- Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the ICDR Regulations.
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	The underwriters in this case are [●].
Underwriting Agreement	Underwriting agreement to be entered into between our Company and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC.
UPI	Unified payments interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidder(s)	Collectively, individual investors applying as (i) Retail Individual Investors in the Retail Portion, and (iv) Non- Institutional Investors with an application size of up to Rs5 under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to Rs5 Lakhs shall use UPI and shall provide their UPI-ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an offer and share transfer (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	SEBI circulars bearing reference numbers: <ul style="list-style-type: none"> <li>- SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018;</li> <li>- SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019;</li> <li>- SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019;</li> <li>- SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;</li> <li>- SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019;</li> <li>- SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020;</li> <li>- SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;</li> <li>- SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021;</li> <li>- SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021;</li> <li>- SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022;</li> <li>- SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022;</li> <li>- SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022;</li> <li>- SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023;</li> <li>- along with the circular issued by the NSE having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022;</li> <li>- the notice issued by BSE having reference no. 20220722- 30 dated July 22, 2022 and reference no. 20220803-40 dated August 3, 2022;</li> <li>- And any subsequent circulars or notifications issued by SEBI or Stock Exchange in this regard.</li> </ul>
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Investor by way of a notification on the UPI application and by way of a SMS for directing the UPI Investors to such UPI mobile application) to the UPI Investors initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	Process for applications by UPI Investors submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
Wilful Defaulter	A company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) Issue Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (b) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, 'Working Day' shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

### Technical, and Industry related Terms

Term	Description
API	Active Pharmaceuticals Ingredients
F&D	Familiarization and Development
GMP	Good Manufacturing Practices
GLP	Good Laboratory Practices
QC	Quality Control
R&D	Research and Development
Speciality Chemical	Speciality chemicals are performance-based chemicals that can be unique molecules or mixtures of molecules known as formulations
TQM	Total Quality Management
WHO-GMP	World Health Organisation - Good Manufacturing Practices

### Conventional and General Terms or Abbreviations

Term	Description
Rs/ Rs./ Rupees/ INR	Indian Rupees
AS/ Accounting Standards	Accounting standards issued by the ICAI
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
Category I AIF	AIFs who are registered as 'Category I Alternative Investment Funds' under the AIF Regulations
Category I FPIs	FPIs who are registered as 'Category I foreign portfolio investors' under the FPI Regulations
Category II AIF	AIFs who are registered as 'Category II Alternative Investment Funds' under the AIF Regulations
Category II FPIs	FPIs who are registered as 'Category II foreign portfolio investors' under the FPI Regulations
Category III AIF	AIFs who are registered as 'Category III Alternative Investment Funds' under the AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act/ Companies Act, 2013	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications and modifications made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion)

Term	Description
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ Fiscal Year/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First Information Report
FPI	Foreign portfolio investors as defined under the FPI Regulations
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
FVCI	Foreign venture capital investors as defined and registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GoI/ Government/ Central Government	Government of India
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013
India	Republic of India
Indian GAAP/IGAAP	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014
IPO	Initial public offering
IST	Indian Standard Time
IT Act	The Information Technology Act, 2000
KYC	Know Your Customer
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCA	Ministry of Corporate Affairs, Government of India
Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
Mn/ mn	Million
Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Companies
NCD(s)	Non-convertible debentures
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NPCI	National Payments Corporation of India
NRE	Non- Resident External
NRI	An individual resident outside India, who is a citizen of India.
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited

Term	Description
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoE	Return on equity
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Systemically Important NBFC or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. Securities Act	United States Securities Act of 1933, as amended
U.S./ USA/ United States	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
USD/ US\$	United States Dollars
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to 'India' contained in this Draft Prospectus are to the Republic of India and its territories and possessions and all references herein to the 'Government', 'Indian Government', 'GoI', 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references to the 'U.S.', 'US', 'U.S.A' or 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a 'year' in this Draft Prospectus are to a calendar year.

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

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Prospectus have been derived from our Restated Financial Information. For further information, see '**Restated Financial Information**' on page 140 of this Draft Prospectus.

The Restated Financial Information comprises of audited financial statements for the ten-months period ended January 31, 2024, and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 (prepared in accordance with Indian GAAP) and examined by the Peer Review Auditor in accordance with the requirements of the relevant provisions of the ICDR Regulations and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by ICAI, as amended from time to time.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Prospectus to a particular FY, Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, IndAS and the ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Prospectus should, accordingly, be limited. For risks relating to significant differences between Indian GAAP and other accounting principles, see '**Risk Factors – 45. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition**' on page 41 of this Draft Prospectus.

Unless the context otherwise indicates, any percentage amounts or relating to the financial information of our Company in the sections '**Risk Factors**', '**Our Business**' and '**Management's Discussion and Analysis of Financial Condition and Results of Operations**' beginning on pages 26, 103 and 175, respectively, and elsewhere in this Draft Prospectus have been calculated on the basis of our Restated Financial Information. Further, in this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### Non-Generally Accepted Accounting Principles Financial Measures

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, EBITDA margin, RoCE, RoE, fixed asset turnover, net asset value per equity share and debt equity ratio ('**Non-GAAP Measures**') have been included in this Draft Prospectus. These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Indian GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with

Indian GAAP. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See '*Risk Factors – 31. We have in this Draft Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies*' on page 36 of this Draft Prospectus.

## **Currency and Units of Presentation**

All references to:

- 'Rupees' or 'Rs' or '₹' or 'INR' or 'Rs.' are to Indian Rupee, the official currency of the Republic of India; and
- 'USD' or 'US\$' or '\$' are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Draft Prospectus in 'Lakhs' units. One million represents 10,00,000 and one billion represents 100,00,00,000.

However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Prospectus in such denominations as provided in the respective sources.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Financial Information in decimals have been rounded off to the two decimal place. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

## **Industry and Market Data**

Unless stated otherwise, industry and market data used throughout this Draft Prospectus has been derived from internal Company reports, data, Industry publications report, Government Publications and website. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed and their reliability cannot be assured. Although the industry and market data used in this Draft Prospectus is believed to be reliable, the data used in these sources may have been re-classified by us for the purposes of presentation, however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable. Accordingly, no investment decisions should be based solely on such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the section '*Basis for Issue price*' on page 82 of this Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Accordingly, no investment decision should be made solely on the basis of such information.

## **Notice to Prospective Investors in the United States**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer,



including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended or any other applicable law of the United States and, unless so registered, 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 state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be ‘qualified institutional buyers’ (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Prospectus as ‘**U.S. QIBs**’) in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in ‘offshore transactions’ (as defined under Regulation S) in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For the avoidance of doubt, the term ‘U.S. QIBs’ does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Prospectus as ‘QIBs’.

## Exchange Rates

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

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

Currency	Exchange Rate as on (in Rs.)			
	January 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.08	82.22	75.91	73.53

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in))

## FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain ‘forward-looking statements’. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘are likely’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘expect’, ‘estimate’, ‘intend’, ‘may’, ‘likely’, ‘objective’, ‘plan’, ‘propose’, ‘project’, ‘seek’, ‘will’, ‘will achieve’, ‘will continue’, ‘will likely’, ‘will pursue’ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans, or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations, and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Draft Prospectus that are not statements of historical fact are ‘forward-looking statements’.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India and other overseas jurisdictions in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- termination or adverse changes in our agreements;
- complex regulatory requirements applicable to our Company which, if not complied with, may disrupt our operations;
- actual claims experienced and other parameters are different from the assumptions used in pricing our products and setting reserves for our products;
- Our ability to meet our further capital expenditure requirements;
- Our ability to attract and retain qualified personnel;
- Increased competition in Industry;
- the continuing effect of the COVID-19 pandemic;
- Fluctuation in other operating cost;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments.

For further details regarding factors that could cause actual results to differ from expectations, see ‘**Risk Factors**’, ‘**Industry Overview**’, ‘**Our Business**’ and ‘**Management’s Discussion and Analysis of Financial Condition and Results of Operations**’ on pages 26, 94, 103, and 175, respectively in this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Applicants that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Applicants 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.

Forward-looking statements reflect current views as on the date of this Draft Prospectus 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. Neither our Company, our Directors, 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 the ICDR Regulations, our Company and the Lead Manager will ensure that the Applicants in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

## SUMMARY OF THE ISSUE DOCUMENT

*The following is a general summary of the terms of the Issue and is not exhaustive, nor does it purport to contain a summary of the disclosures in this Draft Prospectus or all details relevant to prospective Investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including 'Risk Factors', 'The Offer', 'Capital Structure', 'Objects of the Offer', 'Industry Overview', 'Our Business', 'Our Promoters and Promoter Group', 'Financial Information', 'Outstanding Litigation and Material Developments', 'Offer Procedure' and 'Description of Equity Shares and Terms of Articles of Association' beginning on pages 26, 47, 65, , 75, 94, 103,134, 140, 184,228 and 277 , respectively.*

### Primary Business

We are mainly engaged in the buying, procuring, and supplying, of organic and inorganic chemicals, bulk drugs, and, food chemicals to pharmaceutical industry. The traded speciality chemicals and intermediates have a wide application in aluminium, steel, textiles, paper, dairy, paints, dyes & intermediates, soap making, pharma, food and adhesive Industry. Our Company also supplies food preventives and chemicals under its own brand name which is thereafter converted into sales in their own books by the distribution team who ensures safe delivery of bulk supply. The said works are primarily sourced through our leased Registered Office located at 7, Floor 1, Plot No 96, Dhram Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai - 400003, Maharashtra, India.

For detailed information on our business, please see '**Our Business**' beginning from page 103 of this Draft Prospectus.

### Industry Overview

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 9<sup>th</sup> in exports and 6<sup>th</sup> in imports at global level (excluding pharmaceuticals).

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

For detailed information on our business, please see '**Industry Overview**' beginning from page 94 of this Draft Prospectus.

### Our Promoter

Promoter of our Company is Mr. Arif Esmail Merchant.

For details, see '**Our Promoters and Promoter Group**' beginning from page 134 of this Draft Prospectus.

### Details of the Issue

The following table summarizes the details of the issue:

<b>Issue of Equity Shares</b>	Up to 18,00,000 Equity Shares of Rs. 10/- aggregating up to Rs [●] Lakhs
<b>Of which</b>	
<b>Market Maker Reservation Portion</b>	Up to [●] Equity Shares for cash at a price of Rs [●] per Equity Share aggregating up to Rs [●] Lakhs
<b>Net Issue to the Public</b>	Up to [●] Equity Shares for cash at a price of Rs [●] per Equity Share aggregating up to Rs [●] Lakhs will be available for allocation for Retail Individual Investors of up to Rs2 Lakhs
	Up to [●] Equity Shares for cash at a price of Rs [●] per Equity Share aggregating up to Rs [●] Lakhs will be available for allotment to Other than Retail Individual Investors of above Rs 2 Lakhs

The Issue and Net Issue shall constitute [●] % and [●] % of the post-Issue paid-up Equity Share capital of our Company, respectively.

For further details, see '*The Issue*', '*Other Regulatory and Statutory Disclosures*', and '*Issue Structure*' on pages 47, 203, and 225, respectively of this Draft Prospectus.

## Objects of the Issue

Our Company proposes to utilize the funds which are being raised through this Issue towards the below-mentioned objects:

Particulars	Amount (Rs in Lakhs)	% of Net Proceeds
Gross Proceeds of the Issue	[●]	[●]%
Less: Issue Expenses	[●]	[●]%
<b>Net Proceeds of the Issue</b>	<b>[●]</b>	<b>[●]%</b>

## Utilization of Net Issue Proceeds

We intend to utilize the Net Proceeds of the Issue of Rs [●] Lakhs for financing the objects as set forth below:

Sr. No.	Particulars	Amount (Rs in Lakhs)	% of Net Proceeds
1.	For funding of working capital requirements	[●]	[●]%
2.	Purchase of Transportation Vehicles and Accessories	479.25	[●]%
3.	For General Corporate Purposes*	[●]	[●]%

\*The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue

For further details, see '*Objects of the Offer*' on page 75 of this Draft Prospectus.

## Aggregate Pre-Offer Shareholding of our Promoters and Members of the Promoter Group

Category of Shareholders	Pre-Offer		Post-Offer	
	No. of Equity Shares	Percentage of pre-Issue paid-up Equity Share capital (%)	No. of Equity Shares	Percentage of post-Issue paid-up Equity Share capital (%)*
<b>Promoters</b>				
Mr. Arif Esmail Merchant	18,92,496	37.85	18,92,496	[●]
<b>Promoter Group</b>				
Mrs. Fozia Arif Esmail Merchant	5,00,000	10.00	5,00,000	[●]
Mr. Hashim Arif Merchant	10,20,004	20.40	10,20,004	[●]
Mr. Saima Hashim Merchant	5,00,000	10.00	5,00,000	[●]
Mr. Nadeem Ismail Rokadia	1,25,000	2.50	1,25,000	[●]
Mr. Fairoz Rokadia Ismail	1,25,000	2.50	1,25,000	[●]
<b>Total</b>	<b>41,62,500</b>	<b>83.25</b>	<b>41,62,500</b>	<b>[●]</b>

\*To be updated in the Prospectus.

For further details, see '*Capital Structure*' on page 65 of this Draft Prospectus. For details in relation to the entities forming part of the Promoter Group of our Company, see '*Our Promoters and Promoter Group – Promoter Group*' on page 134 of this Draft Prospectus.

## Summary of Restated Financial Information

(Rs in Lakhs, unless otherwise stated)

Sr. No.	Particulars	As at and for the eight months ended January 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2021
1.	Equity Share capital	500.00	500.00	500.00	6.80
2.	Net worth <sup>(1)</sup>	689.35	613.27	577.01	59.88
3.	Revenue	1,498.25	2,094.07	8,521.64	18,016.73
4.	Profit after tax	76.08	36.26	23.94	21.96
5.	Basic earnings per share (in Rs) <sup>(2)</sup>	1.52	0.81	2.15	32.29
6.	Diluted earnings per share (in Rs) <sup>(3)</sup>	1.52	0.81	2.15	32.29
7.	Net Asset Value per Equity Share (in Rs) <sup>(4)</sup>	13.79	12.27	11.54	88.05
8.	Total borrowings (as per restated balance sheet)	108.21	109.65	110.62	-

Notes:

1. Net worth represents the shareholders' funds and is computed as sum of share capital and reserves including share premium share application money and fair value change account net of debit balance in profit and loss account.
2. Basic earnings per share (in Rs) = Restated profit for the year attributable to equity shareholders / weighted average number of Equity Shares.
3. Diluted earnings per share (in Rs) = Restated profit for the year attributable to equity shareholders / weighted average number of diluted Equity Shares.
4. Net asset value per Equity Share (in Rs) = Restated net worth at the end of the year/period / Total number of equity shares outstanding at the end of the year/period.

For further details in relation to the Restated Financial Statements, see '**Restated Financial Information**' on page 140 of this Draft Prospectus.

#### **Qualifications of the Peer Review Chartered Accountant which have not been given effect to in the Restated Financial Statements**

There are no qualifications included by the Peer Review Chartered Accountant in their audit reports and hence no effect is required to be given in the Restated Financial Statements.

#### **Summary of Outstanding Litigation**

A summary of outstanding litigation proceedings involving our Company, Promoters and Directors as on the date of this Draft Prospectus as disclosed in '**Outstanding Litigation and Other Material Developments**' on page 184 of this Draft Prospectus in terms of the ICDR Regulations is provided below:



Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory Proceedings	Proceeding initiated against our Promoter and Director for Economic Offences	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Other Litigations	Aggregate amount involved (Rs in Lakhs)*
<b>Company</b>								
Against our company	35	11	Nil	Nil	Nil	3	Nil	3,854.87
By our company	Nil	Nil	Nil	Nil	Nil	7	3	330.01
<b>Subsidiaries</b>								
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>								
Against the Directors	35	9	1	1	Nil	1	Nil	7,630.50
By the Directors	1	Nil	Nil	1	Nil	4	1	4,548.82
<b>**Promoters</b>								
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
By the Promoter	Nil	Nil	Nil	Nil	Nil	NIL	Nil	Nil
<b>Group Company</b>								
Against the Group Companies	Nil	17	Nil	Nil	Nil	3	Nil	730.72
By the Group Companies	Nil	Nil	Nil	Nil	Nil	2	1	287.68

Please note: \*The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

\*\*Our Promoter is also a director, to avoid the repetition of litigation details under Promoter Category is remain Nil.

Some of the litigation are not quantifiable, please refer the chapter for further details.

One dispute amount was in USD, which was converted in INR as on 19.04.2024.

As on the date of this Draft Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the outcome of which may have a material impact on our Company.

There can be no assurance that these legal proceedings and the actions initiated by regulatory authorities will be decided in our favour or in favour of our Company, Promoters and Directors. In addition, we cannot assure investors that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

For further information, see 'Outstanding Litigation and Material Developments – Litigation against our Promoters – Criminal Litigation' and 'Outstanding Litigation and Material Developments – Litigation against our Promoters – Actions taken by Regulatory and Statutory Authorities' on pages 184 respectively of this Draft Prospectus.

For details, please see 'Risk Factors – 1. There are outstanding actions and litigation proceedings against our Company, Promoters and Directors. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.' on page 26 of this Draft Prospectus.

## Risk Factors

Specific attention of the Applicants is invited to 'Risk Factors' on page 26 of this Draft Prospectus to have an informed view before making an investment decision.

### Summary of Contingent Liabilities

As per the Restated Financial Information as at and for the ten months period ended January 31, 2024 and as at and for the Financial Years ended on March 31, 2023, March 31, 2022 and March 31, 2021, following are the details of the contingent liabilities of our Company which have been recognized and reported in the Restated Financial Information:

(Rs in Lakhs, unless otherwise stated)

Sr. No.	Particulars	As at 31.01.2024	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
1.	Claims against the company not acknowledged as debts	11.05	11.05	0.00	0.00
2.	Bank Gaurantee issued by bank	0.00	0.00	0.00	0.00
3.	Bills discounted from bank	0.00	0.00	0.00	0.00
4.	Letter of credit outstanding	0.00	0.00	0.00	0.00

For further details in relation to our contingent liabilities, see 'Restated Financial Information – Notes to Restated Financial Information – Notes to Accounts Contingent Liabilities' on page 140 of this Draft Prospectus.

### Summary of Related Party Transactions

A summary of related party transactions as per the Related Party Disclosures read with the SEBI Regulations entered into by our Company with related parties, derived from our Restated Financial Statements are as follows:

(Rs in Lakhs)

Name	Relation	Nature Of Transaction	As at 31.01.2024	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Arif Merchant	Director	Director's Remuneration	25.00	12.00	9.00	9.00
Hashim Merchant	Director	Director's Remuneration	20.00	15.00	12.32	12.00
HM Megabrand Private Limited	Significant Interest held by Director	Purchase of goods	515.83	479.44	482.75	1,820.02
		Sales of goods	0.00	683.81	0.00	9.63
		Closing balance-Trade Payable	2,267.76	1,844.85	0.00	0.00
		Closing balance-Trade Receivables	0.00	0.00	2,405.61	2,053.59
General Chemical Industries	Proprietor is father of Director	Purchase of goods	0.00	669.02	737.51	99.91
		Sales of goods	0.00	0.00	0.00	0.00
		Closing balance-Trade Payable	189.00	203.15	0.00	0.00
		Closing balance-Trade Receivables	0.00	0.00	0.00	0.00
HM Enterprises	Significant Interest held by Director	Purchase	0.00	19.89	0.00	284.11
		Sales of goods	0.00	0.00	0.00	0.00
		Loan	0.00	0.00	0.00	0.00
		Closing balance-Trade Payable	472.23	355.30	0.00	368.49
		Closing balance-Trade Receivable	0.00	0.00	7.56	0.00
Saima Marchant	Relative of Director	Salary	0.00	12.00	12.00	12.00
Fozia Merchant	Relative of Director	Salary	0.00	9.00	9.00	9.00
		Rent	0.00	3.00	3.00	3.00
Reliable industries LLP	Significant Interest held by Director	Closing balance	0.00	0.00	0.00	0.00

1. The figures disclosed above are based on the restated standalone statement of assets and liabilities of the Company.

2. The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.
3. List Company/entity owned or significantly influenced by directors, Key Management Personnels and Relative of Key Management Personnels have been determined by the Management and relied upon by the Peer Review Auditor. The Peer Review Auditor have not performed any procedure to determine whether the list is accurate and complete.

#### **Issue of Equity Shares made in the last 1 Year for Consideration Other Than Cash**

Our Company has not issued any Equity Shares for consideration other than cash in the 1 year preceding the date of this Draft Prospectus. For further details, see '*Capital Structure*' on page 65 of this Draft Prospectus.

#### **Split or Consolidation of Equity Shares in the last 1 year**

Our Company has not undertaken split or consolidation of the Equity Shares of our Company in the last 1 year preceding the date of this Draft Prospectus.

#### **Financing Arrangements**

There have been no financing arrangements whereby the Promoters, members of our Promoter Group, our Directors, or any of their relatives, have financed the purchase by any other person of Equity Shares of our Company during a period of 6 months immediately preceding the date of filing of this Draft Prospectus.

#### **Weighted Average Price at which the Equity Shares were acquired by the Promoters in the last 1 year**

The Promoter has not acquired any Equity Shares in the last 1 year preceding the date of this Draft Prospectus.

For further details, see '*Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company*' on page 65 of this Draft Prospectus.

#### **Average Cost of Acquisition of Equity Shares for the Promoters**

The average cost of acquisition per Equity Share acquired by the Promoter as on the date of this Draft Prospectus is as follows:

<b>Name of the Promoter</b>	<b>Number of Equity Shares held</b>	<b>Average cost of Acquisition per Equity Share (in Rs)*</b>
Mr. Arif Esmail Merchant	18,92,496	10.00

For further details, see '*Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company*' on page 65 of this Draft Prospectus.

#### **Details of Pre-IPO Placement**

There is no pre-IPO placement for the purpose of this Issue.

#### **Exemption from complying with any provisions of Securities Laws, if any, granted by SEBI**

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

## SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. We have described the risks and uncertainties that we believe are material, but the risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. To the extent the novel coronavirus pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with 'Industry Overview', 'Our Business', 'Restated Financial Information', and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 94, 103, 140, and 175, respectively, as well as the other financial and statistical information contained in this Draft Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.*

*Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.*

*This Draft Prospectus also contains certain forward-looking statements that involve risks and uncertainties. Investors should read with 'Forward-Looking Statements' on page 18 of this Draft Prospectus for a discussion of the risks and uncertainties related to those statements and also the sections entitled 'Industry Overview', 'Restated Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' on pages 94, 140, and 175, respectively, of this Draft Prospectus as well as financial and other information contained in this Draft Prospectus as a whole, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements included in this Draft Prospectus. For further information, see 'Restated Financial Information' on page 140 of this Draft Prospectus. Unless the context otherwise requires, in this section, references to 'the Company', 'our Company', 'we', 'us' and 'our', are to CITICHEM INDIA LIMITED.*

### Internal Risks

#### *Risks relating to the business of our Company*

- 1. There are outstanding actions and litigation proceedings against our Company, Promoter and Directors. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.*

There are outstanding actions and legal proceedings involving our Company, Promoters and Directors, which are pending at various levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section '**Outstanding Litigation and Other Material Developments**' on page 184 of this Draft Prospectus), involving our Company, Promoters and Directors.

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or Regulatory Proceedings	Proceeding initiated against our Promoter and Director for Economic Offences	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Other Litigations	Aggregate amount involved (Rs in Lakhs)*
<b>Company</b>								
Against our company	35	11	Nil	Nil	Nil	3	Nil	3,854.87
By our company	Nil	Nil	Nil	Nil	Nil	7	3	330.01
<b>Subsidiaries</b>								
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>								
Against the Directors	35	9	1	1	Nil	1	Nil	7,630.50
By the Directors	1	Nil	Nil	1	Nil	4	1	4,548.82
<b>**Promoters</b>								
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
By the Promoter	Nil	Nil	Nil	Nil	Nil	NIL	Nil	Nil
<b>Group Company</b>								
Against the Group Companies	Nil	17	Nil	Nil	Nil	3	Nil	730.72
By the Group Companies	Nil	Nil	Nil	Nil	Nil	2	1	287.68

Please note: \*The amounts indicated above are approximate amounts and have been disclosed to the extent ascertainable.

\*\*Our Promoter is also a director, to avoid the repetition of litigation details under Promoter Category is remain Nil.

Some of the litigation are not quantifiable, please refer the chapter for further details.

One dispute amount was in USD, which was converted in INR as on 19.04.2024.

There can be no assurance that these litigations will be decided in favor of our Company, our Promoter/Director and our group companies, respectively, and consequently it may divert the attention of our management and Promoters and waste our corporate resources and we may incur significant expenses in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

The amount mentioned above may be subject to additional interest, rates or penalties being levied by the concerned authorities for delay in making payment or otherwise. For further details, please refer section “**Outstanding Litigation and Material Development**” beginning from page 184 of this Draft Prospectus.

**2. There have been instances of delays of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 2013 to RoC.**

In the past, there have been certain instances of delays in filing statutory forms which have been subsequently filed by payment of an additional fee as specified by RoC. The details of such instances of delayed filings have been provided below:

Sr. No.	Particulars	Due Date	Actual Date of filing
1	CHG-04 (Charge Satisfaction against Union Bank of India)	17/01/2020	31/12/2020

2	PAS-6 (As on 31/03/2020)	30/05/2020	11/12/2020
3	PAS-6 (As on 30/09/2020)	30/11/2020	11/12/2020
4	AOC (XBRL)	30/01/2021	04/06/2021
5	MGT-7	01/03/2021	02/06/2021
6	DIR-12 (Appointment of Wasim Rizvi and Hashim Merchant as an Additional Director and Resignation of Saima Merchant, Fozia Merchant from post of Director and Hashim Merchant from post of CEO)	30/04/2021	18/08/2021
7	PAS-6 (As on 31/03/2021)	30/05/2021	05/06/2021
8	PAS-6 (As on 30/09/2021)	30/11/2021	26/11/2021
9	AOC (XBRL)	30/12/2021	08/11/2022
10	MGT-7	30/01/2022	22/09/2022
11	ADT-3 (Resignation of Vinay Yadav and Associates)	07/09/2022	06/12/2022
12	ADT-1 (Appointment of Sayed Associates In EGM)	25/08/2022	09/12/2022
13	PAS-6 (As on 31/03/2022)	30/05/2022	07/12/2022
14	PAS-6 (As on 30/09/2022)	30/11/2021	07/12/2022
15	AOC (XBRL)	30/10/2022	09/12/2022
16	MGT-7	30/11/2022	09/12/2022
17	ADT-1 (Appointment of Sayed Associates in AGM)	15/10/2022	02/12/2022
18	MGT-14 (Adoption of new Set of AOA)	01/02/2023	21/08/2023
19	MGT-14 (Accounts Adoption)	16/09/2022	02/12/2022
20	MGT-14 (SR for remuneration/ Borrowing limit increasing/ Unsecured Loan from directors or shareholders/ approval for IPO)	03/03/2023	28/03/2023
21	MGT-14 (Appointment of Valentina and Vijay as ID, Puja as a CS, Hashim as a CFO)	18/03/2023	28/03/2023
22	AOC-04 XBRL	30/10/2023	11/06/2024
23	MGT-7	30/11/2023	12/06/2024
24	MGT-14 (Adoption of Accounts)	24/10/2023	12/06/2024
25	DIR-12 (Regularization of Additional Director Valentina and Vijay Bhatt)	30/10/2023	12/06/2024
26	MGT-14 for BR (Authority for making IPO)	01/05/2024	19/06/2024
27	MGT-14 for SR ((Authority for making IPO)	24/05/2024	19/06/2024
28	MGT-14 to Approve and sign financial statement for year ended 31/01/2024.	08/03/2024	19/06/2024
29	MGT-14 for appointment of peer review auditor	15/02/2024	19/06/2024
30	PAS-6 as on 31/03/2023	Not Filed	
31	PAS-6 as on 30/09/2023	Not Filed	
32	PAS-6 as on 31/03/2024	Not Filed	

Moreover, there is delay in filing of Annual Return with ROC for the year ended March 31,2023 by a group company, HM Megabrands Private Limited. While, no show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same, however it cannot be assured, that there will not be such instances in the future or our Company will not commit any further delays or defaults in relation to its reporting requirements, or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

**3. Majority of our revenues are dependent on few customers and the loss of, or a significant reduction in purchases by such customers could adversely affect our financial performance.**

We do not have any long - standing relationships with our customers, there can be no assurance that it may continue to be so in the future. In addition, as a consequence of our reliance on these customers, any adverse change in their financial condition may also have an adverse effect on our cash flows and business prospects. Such concentration of our business on few customers may adversely affect us in case we lose one or more contracts with these customers. Significant revenue from few customers increases the potential volatility of our results and exposes us to risks which may have an adverse effect on financial performance of our business.

**4. Our business involves trading of the hazardous, corrosive and flammable industrial chemicals, which require expert handling and storage, as applicable and which entails significant risks and could also result in enhanced obligations.**




***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.***

The industrial chemicals 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 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 our business and expose us to civil or criminal liability.

While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the time of process may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage. However, 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.

**5. *The Company does not have any registered Trademarks.***

At present, the company has been using its logo  to conduct its business and in its day-to-day dealing, and has not registered the same. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation and our business operations could be affected. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. In such circumstances, the reputation and business may be adversely affected.

**6. *Restated Financial Statements has been verified and certified by Peer Reviewed Chartered Accountant who is not the Statutory Auditor of our company.***

Restated Financial Statements of our company has been certified by M/s GGPS and Associates, Peer Reviewed Chartered Accountant who is not the Statutory Auditor of our company. The Statutory Auditor, NGST & Associates does not have a valid Peer Review Certificate at the time of filing of Draft Prospectus. They have applied for Renewal of their Peer Review Certificate. If they failed to obtain the Certificate before listing of our company, we may have to change our statutory auditor in order to comply with the applicable laws and regulations, failing which may affect us adversely.

**7. *Net Issue Proceeds will be utilized for purchase of land from Mrs. Fozia Merchant and Mrs. Saima Merchant who is related to our promoter and directors of the company.***

Apportion of our net issue proceeds will be utilized for purchase of land from Mrs. Fozia Merchant and Mrs. Saima Merchant who is related to our promoter and directors of the company. Acquiring land from promoter group can expose a company to several risks, including conflict of interest. Conflict of interest may arise if the terms of the acquisition favor the promoter and promoter group, potentially leading to overpayment or conditions more beneficial to the promoter and promoter group than to the company. This can result in shareholder dissatisfaction and damage to the company's reputation. Additionally, the company might inherit unforeseen liabilities associated with the land which could lead to significant financial and operational burdens. Thorough due diligence, independent valuations, and maintaining transparency throughout the acquisition process are essential to mitigate these risks and ensure the transaction aligns with the company's best interests.

**8. *Transfers of land, Mrs. Fozia Merchant and Mrs. Saima Merchant does not hold the ownership of the said land at the time of filing Draft Prospectus.***

Currently, Mrs. Fozia Merchant and Mrs. Saima Merchant are not the owner of the land which the company is proposing to be acquired using the issue proceeds. A Memorandum of Understanding (MOU) is signed between Mrs. Fozia Merchant and Mrs. Saima Merchant (Purchasers) and Mr. Girish V. Bhanushali (Vendor). In this scenario where the land being sold by promoter group to the company has not yet been legally transferred to the promoter group and is only backed by a MOU, significant risks and uncertainties arise. The most critical risk is the potential for the acquisition to fall through if the promoter group fails to secure legal ownership of the land. This situation introduces uncertainties regarding the legitimacy and enforceability of the sale, potentially leading to legal disputes and financial losses for the company.

Additionally, the lack of clear ownership can result in complications related to title verification, regulatory compliance, and due diligence, making it challenging to assess and mitigate potential liabilities associated with the land. To safeguard its interests, the company must ensure that the promoter group has a clear and transferable title to the land before proceeding with the acquisition, thereby reducing the risks of legal and financial complications.

**9. *We do not own our Registered Office and Corporate Office from where we carry out our business activities. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.***

We do not own all our Registered Office and Corporate Office from where we carry on our business. The said offices have been taken on rental basis from our Promoter. For details on the duration of existing rent agreements for our offices, please refer to Chapter titled '**Our Business**' beginning on page 103 of this Draft Prospectus. Further, there is no formal rent agreement for using the said premises, and in the event of any dispute we may suffer a disruption in our operations. Further, we also share our Registered Office with our group companies and there is no proper division of space between our company and our Group Company. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

**10. *An inability to comply with repayment and other covenants in the financing agreements could adversely affect our business, financial condition, and cash flows.***

As of January 31, 2024, March 31, 2023, and March 31, 2022, our total debt was Rs. 108.21 Lakhs, Rs. 109.65 Lakhs, and Rs. 110.62 Lakhs, respectively, comprising of non-current borrowings of Rs. 108.21 Lakhs, Rs. 109.65 Lakhs, and Rs. 110.62 Lakhs, respectively. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company, change in composition of our Board, declaration of dividend, change in constitutional document, changes to the business or diversifying or expanding the business of our Company and making any investments in any persons other than permitted investments. For details, see '**Financial Indebtedness**' beginning on page 174 of this Draft Prospectus.

There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our immovable property to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

Any failure to comply with the conditions and covenants in our financing agreements or the creation of additional encumbrances that is not waived by our lenders or otherwise cured or occurrence of a material adverse event could lead to an event of default and consequent termination of our credit facilities could adversely affect our business, results of operations, financial condition and cash flows.

**11. *There have been instances of non-compliance of the Companies Act, and non-filing / delays / incorrect filings in the past with certain Regulatory Authorities. If the Regulatory Authorities impose monetary penalties on us or take certain punitive actions against our company in relation to the same, our business, financial condition and results of operations could be adversely affected.***

There have been instances of non-compliance of the various provisions of the Companies Act, including but not limited to the preferential allotments undertaken by the Company, and non-filing / delays / incorrect filings in the past with certain regulatory authorities. There are certain forms which have been subsequently filed with additional fees, as specified by registrar of companies / ministry of corporate affairs. Except as mentioned in this Prospectus, till date, there has been no penalty levied on the company for such delays / defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the regulatory authorities impose monetary penalties on us or take certain punitive actions against our company in relation to the same, our business, financial condition and results of operations could be adversely affected. While we ensure implementation of required compliance systems, we cannot assure you that such inaccuracies and non-compliances will not happen in the future and that our Company will not be subject to any action by statutory or regulatory authorities.

**12. *If we are unable to maintain and enhance our brand, the sales of our products may suffer which would have a material adverse effect on our business operations.***

Over the years, our brand ‘Citichem’ has significantly contributed to the success of our business and maintaining and enhancing our brand and may require us to make substantial investments in areas such marketing and employee training, and these investments may not be successful. Given the kind of competition, we anticipate that maintaining and enhancing our brand may become increasingly difficult and expensive. Our success will depend largely on our ability to maintain, anticipate, gauge and respond in a timely manner to consumer demands, and to continue to provide quality chemical products and services. This will attract our prospective consumers and develop faith for our brand. If our Company is unable to maintain the quality of its products, it could lead to a negative publicity of our brand name and image in the market. Such negative publicity of our brand name could adversely affect our profitability and business operations.

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

Our business is working capital intensive and requires significant portion of working capital and major portion of which is utilized towards trade receivables and trade payables. Further, our Company intends to continue growing by reaching out to newer clients/ customers and also increasing the sales in the existing customers base. Our growing scale and expansion may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out of debts, could adversely affect our financial condition and result of our operations.

For description of the objects, see ‘*Objects of the Issue*’ on page 75 of this Draft Prospectus.

**14. Any delays and/or defaults in customer payments could result in increase of working capital investment and/or reduction of our Company’s profits, thereby affecting our operation and financial condition.**

We are exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business model, if we receive any bulk orders from any customers, we may supply our products to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments on an order on which our Company has supplied resources, or if an order in which our Company has invested and supplied resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company’s results of operations and financial condition. For the eight months ended on Jaanuary 31, 2024, year ended March 31, 2023, March 31, 2022, and March 31, 2021, our trade receivables were Rs. 3083.63 Lakhs, Rs. 3418.49, Rs. 4639.93 Lakhs and Rs. 3359.16 Lakhs, respectively. For further information, see ‘*Restated Financial Information*’ on page 140 of this Draft Prospectus.

There is no guarantee on the timeliness of all or any part of our customers’ payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

**15. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

Sr. No.	Particulars of Net Cash from	Restated Financial Statements (Rs. in Lakhs)			
		For the ten-months period ended January 31, 2024	For the Financial Year ending March 31		
			2023	2022	2021
1.	Operating Activities	93.72	27.59	(597.08)	37.84
2.	Investing Activities	0.00	(3.61)	(1.05)	(2.00)
3.	Financing Activities	(14.39)	(7.34)	595.14	(37.35)

For further information, see ‘*Restated Financial Information*’ on page 140 of this Draft Prospectus.

**16. Our Company has not placed orders for transportation vehicles and accessories required by us for which funds are being raised through this Issue. Any delay in placing the orders or supply of these equipment’s may result in time and cost overruns and may affect our profitability.**

Our Company proposes to acquire vehicles for transportation and accessories for conducting smooth operations. Our Company has identified the vehicles proposed to be acquired and have received the quotations from the suppliers, but we have not placed final orders for the said vehicles aggregating to Rs.438.81 Lakh which are proposed to be acquired for our expansion plan by utilization of Issue Proceeds. For further details read section, see '*Objects of the Issue*' on page 75 of this Draft Prospectus. Our Company is further subject to risks on account of inflation in the price of such vehicles'. Any delay in access to Issue Proceeds or any inaccuracy in the management estimates would eventually delay the process of placing the orders.

**17. *We engage contract labour for carrying out certain business operations.***

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for undertaking trading of chemicals from the place of supply to our client's place of delivery. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, financial condition and results of operations.

**18. *Relevant copies of educational qualifications of our Directors and Key Managerial Personnel are not traceable.***

Relevant copies of the educational qualifications of our Directors and Key Managerial Personnel are not traceable. For the disclosure of their education qualification and biography we have relied on the affidavits provided by them. For the details regarding their educational qualifications as disclosed in their brief biographies refer section title '*Our Management*' on page 122 of this Draft Prospectus.

**19. *We have not received No Objection Certificate from all the lenders of term loans to our company.***

We have not received the no objection certificate from Indostar Capital Limited from whom we have availed secured loan.

A Securitisation Application (Dairy No.292/2023) has been filed on 18.02.2023 by our Company. However, no proceeding has been initiated on the said application. Therefore, the same application was re-filed on 16.03.2024 (Dairy No.416/2024), Case No.SA/93/2024 in Debt Recovery Tribunal, Mumbai (DRT 2) against the Authorised Officer of Indostar Capital Finance Limited. Our Company has availed a loan of Rs. 1,15,00,000 (Rupees One Crore Fifteen Lakhs only) and credit protection of Rs. 2,00,000 (Rupees Two Lakhs only) against the property i.e, Flat No. 901 on 9th Floor, C Wing, AL-Raza Tower, RAZA CHSL, Parel, Sewri, Mumbai-400015. On 04.11.2022. The ICFL issued a demand notice of Rs. 1,26,28,642 (Rupees One Crore Twenty-Six Lakhs Twenty-Eight Thousand Six Hundred Forty-Two Only) (hereinafter referred as the 'Notice Amount') towards the loan facility which was incorrect and has also wrongly classified the above-mentioned property as NPA (Non-Performing Asset), a reply against said notice was also given by the Company as on 03.01.2023. Thereafter, ICFL issued a notice under section 13(2) of the SARFAESI Act and possesses the said property. However, as per the court hearing held on 19.03.2024, the secured creditor called upon our Company to pay the Notice Amount therefore, our Company issued a Demand Draft of Rs. 50,00,000 (Rupees Fifty Lakhs only) favoring the ICFL. For further information, see '*Outstanding Litigation and Material Developments*' on page 184 of this Draft Prospectus.

Our Company is yet to make an application with the said bank to provide us with the NOC. In case the said NOC is not received in time it may delay the operations.

In the event, any operation is undertaken without their prior consent, our lender may ask for repayment of amounts outstanding under such facilities, or even terminate such facilities, and as a result we may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

For further information, see '*Restated Financial Information*' on page 140 of this Draft Prospectus.

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

Our Promoter has extended personally guarantee towards loan facilities taken by our Company. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations as Promoter of our

Company, thereby having an effect on our business, results of operation and financial condition. For further information, see '**Restated Financial Information**' on page 140 of this Draft Prospectus.

Furthermore, in the event that these individuals withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

**21. *Our Company's hasn't taken any insurance coverage and the said would not protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work.***

Our Company hasn't taken any insurance to safeguard against the financial losses arising out of third-party liability, transportation risks, and other factors. Due to this, any man-made or loss caused by natural disasters and other events beyond our control, we may be required to pay for losses, damages and liabilities out of our own funds, which could materially and adversely affect our business, financial condition and results of operations.

**22. *The Company require certain approvals and/or licenses in the ordinary course of business to operate. Failure to obtain and/or renew in a timely manner may affect the operations of the company.***

The Company requires certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for the business to operate. In this regard the Company has obtained the required license for carrying out business activity including the PAN, GST Registration.

Further, there can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. As a result, the company might not be able to execute its business operations as planned. Furthermore, an inability to obtain or maintain approvals or licenses required for the operations may adversely affect the operations.

Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Moreover, approvals, licenses, clearances, and consents covering the same subject matter are often required at State Government levels. If the company fail to comply, or a regulator claims that that company has not complied, with these conditions, the company might not be able to commence or continue to work.

For description of the regulations to which we are subject, see '**Key Regulations and Policies**' on page 110 of this Draft Prospectus.

**23. *Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.***

We are subject to laws and government regulations, including in relation to safety, health, and labour. Our business includes the process of storage and distribution of such hazardous products and handling of such hazardous materials and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Any accident at our facilities may result in personal injury or loss of life, environmental damage, substantial damage to or destruction of property affecting our business operations. Any of such foregoing could subject us to legal proceedings, which could have an adverse impact on our profitability in the event we were found liable and could also adversely affect our reputation.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. 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. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

**24. *We face significant competition and our business, financial condition, results of operations, and cash flows could be materially harmed if we are unable to compete effectively.***

Our competitors may have significantly greater financial, technical and marketing resources and might be generating greater revenues. Further, some of them have a pan-India presence resulting in better brand recall across India and have long-standing relationships with their clients within and outside our country and are therefore the preferred service providers for many of the clients. Our Company cannot assure its investors that it will be able to retain its clients or attract new clients while competing successfully against such competitors. Moreover, the Company's ability to compete also depends on a number of factors beyond its control, including the ability of its competitors to attract, train, motivate and retain highly skilled technical people, the price at which the competitors offer comparable services and the extent of competitors' responsiveness to client needs. Its failure to remain competitive would have a material adverse effect on its business, financial condition and results of operations of our company on a consolidated basis, and could cause the price of the Equity Shares to decline.

For more details on the competitive landscape in India, see '**Industry Overview**' on Page No 94 and '**Business Overview**' on Page No 103 of this Draft Prospectus.

**25. *Our business reputation is critical for growing our business and any adverse publicity regarding us or our Promoters, directors and investors may have a material adverse effect on our business, prospects, financial condition and results of operations.***

Our brand and business reputation will be adversely affected in the event of any adverse publicity relating to our Company, our Promoters, Directors or our Products.

Any significant claim or litigation, employee misconduct, operational failure, regulatory investigation, media speculation and adverse publicity, whether actual, unfounded or merely alleged, could damage our brand, business reputation and confidence of customers. Our brand may also be adversely affected if our products, or the services provided by our employees, agents do not meet customer expectations. Negative publicity could result from any failure in business continuity or information technology systems.

Any damage to our brand or business reputation may result in loss of existing and potential customers, and inability to maintain existing or enter into additional distribution arrangements. Furthermore, negative publicity may result in an increase in regulatory scrutiny of our operations, and an increase in claims litigation, which may further increase our cost of operations and adversely affect our profitability. Negative publicity or any adverse Impact on our brand and business reputation may have a material adverse effect on our business, prospects, financial condition and results of operations.

**26. *We depend on our Key Managerial Personnel and other skilled and the loss of their services could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our market position and success depend to a large extent on our ability to recruit and retain Key Managerial Personnel. If we are unable to retain or suitably replace members of our Key Managerial Personnel, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, the success of our business is in part dependent on the continued service of other skilled personnel who have in-depth knowledge and understanding of our business, including members of our senior management. In the near future, we may need to increase compensation and other benefits in order to attract and retain Key Managerial Personnel and other skilled personnel in the future in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the industry for such personnel. The loss of their services could have a material adverse effect on our business, financial condition, results of operations and cash flows.

**27. *Our Promoters and certain of our Directors and Key Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits. Further, some of our Directors may have interests in entities in businesses similar to ours or are associated with the securities market, which may result in conflicts of interest with us.***

Certain of our Directors and Key Managerial Personnel may be deemed interested in our Company to the extent of regular remuneration, incentives, benefits and reimbursement of expenses, as applicable, payable to them by our Company, for details, see '**Our Management**' on page 122 of this Draft Prospectus.



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

Our Company attracts tax liability such as Goods and Service Tax, Income Tax, and Professional Tax as per the applicable provisions of Law. We are also required to comply with the provisions such as registration under the labour laws like Provident Fund and ESI and are also subjected to deposit of Provident Fund and ESI contribution of employer and employees. Although, we have taken all the necessary approvals and deposited the required returns and taxes under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**29. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.**

Any dividends to be declared and paid in the future are required to be recommended by our Board and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements. We cannot assure investors that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders in future consistent.

**30. We have entered into certain related party transactions in the Financial Years ending 2021, 2022, 2023 and for the ten-months period ended January 31, 2024. We will continue to enter into related party transactions, and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.**

We have entered into certain transactions with related parties for the ten-months period ended January 31, 2024 and for Financial Years ending 2021, 2022, 2023, aggregating to Rs. 560.8 Lakhs, Rs. 1903.17 Lakhs, Rs. 1265.59 Lakhs, and Rs. 2258.67 Lakhs, respectively. For further information on our related party transactions, see ‘*Restated Financial Information – Notes to Restated Financial Information – Notes to Accounts: 30. Related Party Disclosure*’ and ‘*Summary of Issue Document – Summary of Related Party Transactions*’ on pages 167 and 20, respectively, of this Draft Prospectus.

While we believe that all such transactions have been conducted on an arm’s length basis, it is likely that we will continue to enter into related party transactions in the future and we cannot assure investors that we would not achieve more favorable terms if such transactions are entered into with unrelated parties. There can be no assurance that related party transactions, individually or in the aggregate, will not have an adverse effect on our business and results of operations. Such related party transactions may also potentially involve conflicts of interest.

**31. The average cost of acquisition of Equity Shares by the Promoters may be less than the Issue price.**

The average cost of acquisition of Equity Shares by the Promoter may be less than the Issue price. The details of the average cost of acquisition of Equity Shares held by the Promoter are set out below:

Name of the Promoter	Number of Equity Shares held	Average cost of Acquisition per Equity Share (in Rs)*
Mr. Arif Esmail Merchant	18,92,496	10.00

**32. We have in the past 12 months issued Equity Shares at a price which could be lower than the Issue price. The price at which our Company has issued Equity Shares during the last one year from the date of this Draft Prospectus may not be indicative of the future price.**

We have in the last twelve months prior to filing this Draft Prospectus, issued Equity Shares at prices that could be lower than the Issue price. For information regarding such issuances of Equity Shares, see ‘*Capital Structure—Notes to Capital Structure*’ on page 65 of this Draft Prospectus.

**33. Being a part of the chemical industry our revenue are largely dependent upon the growth and expansion of the chemical industry.**

Our financial performance depends significantly on the stability of the chemical industry, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers’ confidence or financial condition. Other factors beyond our control, including the availability of raw material, machines required for production, prices, the state of the credit markets, including

mortgages, loans and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance.

34. ***Any variation in the utilization of the Net Proceeds from the issue as disclosed in this Draft Prospectus shall be subject to certain compliance requirements, including prior Shareholders' approval.***

We propose to utilize the Net Proceeds towards capital expenditure by way of acquisition of land and construction of warehouse thereof, towards acquisition of vehicles and towards general corporate purpose. For further information of the proposed objects of the Offer, see '***Objects of the Offer***' on page 75 of this Draft Prospectus. We cannot currently determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act and the ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds from the Offer as disclosed in this Draft Prospectus without obtaining the Shareholders' approval through a special resolution. Our Promoters would also be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, 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 Offer proceeds, if any, which may adversely affect our business and results of operations.

35. ***We have in this Draft Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the industry in which we operate, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of insurance companies, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. For more details, see '***Certain Conventions, Presentation of Financial, Industry and Market Data – Non-Generally Accepted Accounting Principles Financial Measures***' on page 15 of this Draft Prospectus. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Prospectus.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see '***Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators***' on page 175 of this Draft Prospectus.

36. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our Company has broad discretion over the use of the Net Proceeds and may use them in ways with which you do not agree and in ways that may not enhance our operating results or the price of our Equity Shares.***

We intend to utilize the Net Proceeds to augment our capital base to support solvency levels. Our proposed deployment of the Net Proceeds has not been appraised and it is based on management estimates. As stipulated in Regulation 41 of the ICDR Regulations, we are not required to appoint a monitoring agency for the use of the Net Proceeds and we do not intend to do so. Accordingly, the deployment of the Fresh Issue proceeds will be entirely at our discretion which is especially relevant since we have proposed broad utilization of the Net Proceeds. Our board of directors and management will therefore have broad discretion over the application of the Net Proceeds. We may spend or invest these proceeds in ways with which you disagree or that do not yield a favorable or any return. Our actual use of the Net Proceeds may differ substantially from our current plans. Failure by our management to apply these funds effectively could harm our business and financial condition

and cause the market price of our Equity Shares to decline. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use of the Net Proceeds to achieve profitable growth in our business. Pending their use, we may invest the Net Proceeds in a manner that does not produce income or that loses value.

**37. *The Promoters and members of the Promoter Group will continue jointly to retain majority control over the Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

Post the Issue as well, Promoter and Promoter Group will collectively own the majority of the Equity Share capital. As a result, they will continue to exercise a significant degree of influence over Company and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to Board, in accordance with the Companies Act, and its Articles of Association.

Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of the Company. In addition, Promoters will continue to have the ability to cause to take actions that are not in, or may conflict with, the interests or the interests of some or all of the creditors or other shareholders, and the Company cannot assure that such actions will not have an adverse effect on its future financial performance or the price of Equity Shares.

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

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

**39. *The future funds' requirements of the company, in the form of fresh issue of capital or securities and/or loans, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.***

The Company might require additional capital from time to time depending upon the requirements of the business. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase the interest burden and decrease cash flows, thus prejudicially affecting profitability and a liability to pay dividends to its shareholders.

**40. *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 / schedule of implementation 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 'Objects of the Issue' beginning on page 75 of this Draft 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, we may have to revise our business and development plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

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

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

**42. *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, appointment of monitoring agency is required only if Issue size exceeds Rs10,000 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.

**43. *Investors other than Retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an application.***

According to the ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their application (in terms of quantity of Equity Shares or the Amount) at any stage after applying. While the company is required to complete allotment according to the issue within 6 Working Days from the Issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. The company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted according to the issue or cause the trading price of the Equity Shares to decline on the listing.

**44. *Currency exchange rate fluctuations may affect the value of the Equity Shares.***

The exchange rate between the Rupee and other foreign currencies, including the Hong Kong Dollar has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Company's Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Company's Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company's Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Company's Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of the Company's results of operations and financial condition.

**45. *Industry information included in this prospectus has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

## **External Risk Factors**

### ***Risks Relating to India***

**46. *Recent global economic and political conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

In the event of adverse macroeconomic conditions in India or globally, which may be characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment, higher inflation and lower consumer spending, the demand for insurance products could be adversely affected. Our policyholders may opt to defer or

discontinue paying insurance premiums or choose to forgo or not renew their insurance coverage. We may also experience an increase in incidence of claims and non-renewal of policies. The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and outbreak of an infectious disease, such as the COVID-19 pandemic.

Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our equity shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

**47. *Changing laws, rules or regulations and legal uncertainties including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the component industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. For further information on the laws applicable to us, see '**Key Regulations and Policies**' on page 110 of this Draft Prospectus.

The Income Tax Act, 1961 was amended to provide domestic companies an option to pay corporate income tax at the effective rate of approximately 25.17% (inclusive of applicable surcharge and health and education cess), as compared to effective rate of 34.94% (inclusive of applicable surcharge and health and education cess), provided such companies do not claim certain specified deductions or exemptions. Further, where a company has opted to pay the reduced corporate tax rate, the minimum alternate tax provisions would not be applicable. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to the COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Services Tax Act, 2017 and Customs Tariff Act, 1975.

Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. With the implementation of GST, we are obligated to pass on any benefits accruing to us as result of the transition to GST to the consumer thereby limiting our benefits. In order for us to utilise input credit under GST, the entire value chain has to be GST compliant, including us. While we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our suppliers and dealers will do so. Any such failure may result in increased cost on account of non-compliance with the GST and may adversely affect our business and results of operations.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ('DDT'), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and health and education cess). Such

dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the IT Act to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the Company is required to withhold tax on such dividends distributed at the applicable rate.

Further, the Government of India has notified the Finance Act, 2022 (**‘Finance Act’**), which has introduced various amendments to the IT Act. As such, there is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Changes in other laws may impose additional requirements, resulting in additional expenditure and time cost. For instance, the GoI has announced four labour codes which are yet to come into force as on the date of this Draft Prospectus, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been announced, we are unable to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements, such as ‘gig workers’ and ‘platform workers’ and provides for the mandatory registration of such workers in order to enable these workers to avail themselves of various employment benefits, such as life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets.

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



**49. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Financial Information for Fiscal 2020, 2021 and 2022, and the half-year ended September 30, 2022, have been prepared and presented in conformity with IndAS. No attempt has been made to reconcile any of the information given in this Draft Prospectus to U.S. GAAP, IFRS or any other principles or to base it on any other standard. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should be limited accordingly.

**Risks relating to the Equity Shares and this Offer**

**50. *Substantially all of our business and operations are located in India, where we are subject to regulatory, economic, social and political uncertainties.***

We are incorporated in and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Substantially all of our business, employees and investments are located in India, and we intend to continue to develop and expand our business in India. Consequently, our financial performance, the performance of our investments and the market price of our Equity Shares will be affected by changes in exchange rates and controls, interest rates, volatility in and actual or perceived trends in trading activity on India's principal stock exchanges, prevailing economic conditions, inflation, changes in government policies, including taxation policies and foreign investment policies, social and civil unrest and other political, social and economic developments in or affecting India.

While the Indian economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Specific laws and policies affecting insurance companies, e-commerce, data, foreign investments, currency exchange rates and other matters affecting investments in India could change as well or be subject to unfavorable changes or interpretations or uncertainty.

Other factors that may adversely affect the Indian economy, and hence our results of operations and cash flows, may include:

- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements; and
- subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any further slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

**51. *Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Lead Manager or any of their directors and executive officers in India respectively, except by way of a law suit in India.***

Our Company is a company incorporated under the laws of India and all of our Directors are located and/or resident in India. All of our assets, our Key Managerial Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law.

Recognition and enforcement of foreign judgments is provided for under Sections 13, 14, and Section 44A of the Code of Civil Procedure, 1908. India is not party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The Code of Civil Procedure, 1908, only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favor a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India.

However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

**52. *The trading volume and market price of the Equity Shares may be volatile following the Issue.***

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

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;

- fluctuations in stock market prices and volume;
- general economic and stock market conditions; and
- Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

**53. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

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

Under current Indian tax laws, 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 listed equity shares held for more than 12 months immediately preceding the date of transfer may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, investors may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer will also be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose a tax on capital gains arising from the sale of shares of an Indian company.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders, both for residents as well as non-residents. Our 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 pursuant to any corporate action, including dividends.

Similarly, any business income realised from the transfer of equity shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed Rs1 Lakh, subject to certain exceptions in case of resident individuals and Hindu Undivided Families.

The Indian Stamp Act, 1899 was amended to provide that the sale, transfer and issue of certain securities through exchanges, depositories, or otherwise shall be charged with stamp duty. In the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges is on the buyer, while in other cases of transfer for consideration through a depository, the onus is on the transferor. The stamp duty for transfer of certain securities, other than debentures, on a delivery basis is currently specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

The Government of India announced the union budget for Fiscal 2023, following which the Finance Bill, 2022 ('**Finance Bill**') was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 ('**Finance Act**'). There is no certainty on the impact of Finance Act on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

**55. *There is no guarantee that our Equity Shares will be listed on the stock exchanges in a timely manner or at all.***

The Equity Shares will be listed on the Stock Exchange. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchange. The Allotment of Equity Shares in the Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately 5 Working Days from the Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to commence within 6 Working Days of the Issue Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchange. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**56. *The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. 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. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchange and securities markets elsewhere in the world.

**57. *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 Exchange. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within 1 working day of the date on which the Basis of Allotment is approved by the Stock Exchange. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately 5 Working Days from the Issue Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchange is expected to commence within 6 Working Days of the Issue Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**58. *Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations.***

Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings, 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. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business, cash flows and financial performance and the price of the Equity Shares.

**59. *Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us, including to comply with minimum public shareholding norms applicable to listed companies in India or

sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares (in accordance with applicable law including procuring regulatory approvals, as required) by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares (in accordance with applicable law including procuring regulatory approvals, as required) in the future.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares being held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or relevant regulatory approval having been obtained for sale of shares and the corresponding remittance of sale proceeds.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. 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 of India.

For further information, see '*Restrictions on Foreign Ownership of Indian Securities*' on page 274 of this Draft Prospectus.

**61. *The determination of the Issue Price is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The determination of the Issue Band is based on various factors and assumptions and will be determined by our Company in consultation with the Lead Manager. These will be based on numerous factors, including factors as described under '*Basis for the Issue price*' on page 82 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure investors that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

**63. *A third-party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.***

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

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.



## SECTION III: INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

<b>Issue <sup>(1)</sup></b>	Upto 18,00,000 Equity Shares aggregating up to Rs[●] Lakhs
<b>Of which:</b>	
<b>Market Maker Reservation Portion</b>	[●] Equity Shares, aggregating up to [●] Lakhs
<b>Net Issue to the Public <sup>(2)</sup></b>	[●] Equity Shares, aggregating up to [●] Lakhs
<b>The Net Issue comprises of:</b>	
<b>Retail Individual Investors for up to Rs. 2 Lakhs</b>	[●] Equity Shares, aggregating up to [●] Lakhs
<b>Other Investors above Rs. 2 Lakhs</b>	[●] Equity Shares, aggregating up to [●] Lakhs
<b>Pre-Issue and post-Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	50,00,000 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares
<b>Use of Proceeds</b>	For further details, see ' <i>Objects of the Issue</i> ' on page 75 of this Draft Prospectus.

1. *The Issue has been authorized by our Board of Directors pursuant to the resolutions passed at their meetings dated 1<sup>st</sup> April, 2024, and our Shareholders pursuant to the resolution passed at their meeting held on 24<sup>th</sup> April, 2024, is being made in terms of Regulation 229(2) of the ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Issue paid-up Equity Share capital of our Company are being offered to the public for subscription.*
2. *This Issue is being made in terms of Section IX of the ICDR Regulations, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253 (2) of the ICDR Regulations, the allocation in the net issue to public category shall be made as follow:*
  - a. *Minimum 50% to the Retail individual investors; and*
  - b. *Remaining to*
    - i. *individual applicants other than retail individual investors; and*
    - ii. *other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for;*

*Provided that the unsubscribed portion is either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.*

*Explanation - For the purpose of Regulation 253 (2), if the retail individual investor category is entitled to more than 50.00% of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

For further details, see '*Issue Procedure*' and '*Terms of the Offer*' on pages 228 and 217, respectively of this Draft Prospectus

## SUMMARY OF RESTATED FINANCIAL INFORMATION

The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at and for the ten months period ended January 31, 2024 and as at and for the Financial Years ended on March 31, 2023, 2022 and 2021. The summary financial information presented below should be read in conjunction with '*Restated Financial Information*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' on pages 140 and 175, respectively, of this Draft Prospectus.

Annexure - 1: Restated Statement of Assets and Liabilities					
(Amount Rs. In Lakhs)					
Particulars	Annex. No.	As At 31st January, 2024	As At 31st March, 2023	As At 31st March, 2022	As At 31st March, 2021
<b>I. Equity and Liabilities</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	5	500.00	500.00	500.00	6.80
(b) Reserve & Surplus	6	189.35	113.27	77.01	53.08
(c) Money received against share warrants		0.00	0.00	0.00	0.00
<b>(2) Share application money pending allotment</b>		0.00	0.00	0.00	0.00
<b>(3) Non-current Liabilities</b>					
(a) Long term borrowings	7	100.60	104.10	107.54	0.00
(b) Deferred tax liabilities (Net)		0.00	0.00	0.00	0.00
(c) Other long term liabilities		0.00	0.00	0.00	0.00
(d) Long term provisions		0.00	0.00	0.00	0.00
<b>(4) Current Liabilities</b>					
(a) Short term borrowings	8	7.61	5.55	3.08	0.00
(b) Trade payables	9				
(A) Total outstanding dues of micro and small enterprises		80.41	80.41	80.41	80.41
(B) Total outstanding dues of creditors other than micro and small enterprise		5,917.82	7,116.14	8,347.23	7,168.67
(c) Other current liabilities	10	36.80	28.45	18.89	12.57
(d) Short term provisions	11	54.61	24.61	8.52	7.63
<b>Total</b>		<b>6,887.19</b>	<b>7,972.53</b>	<b>9,142.69</b>	<b>7,329.16</b>
<b>II. Assets</b>					
<b>(1) Non-current Assets</b>					
(a) Property, Plant and Equipment and Intangible assets					
(i) Property, Plant and Equipment	12	9.20	10.23	7.78	8.95
(ii) Intangible assets		0.00	0.00	0.00	0.00
(iii) Capital WIP		0.00	0.00	0.00	0.00
(iv) Intangible assets under development		0.00	0.00	0.00	0.00
(b) Non-current investments		0.00	0.00	0.00	0.00
(c) Deferred tax assets (net)		0.29	0.41	0.52	0.26
(d) Long term loans and advances		0.00	0.00	0.00	0.00
(e) Other non-current assets	13	10.88	11.51	3.19	2.69
<b>(2) Current Assets</b>					
(a) Current investments		0.00	0.00	0.00	0.00
(b) Inventories	14	3,639.57	4,477.24	4,132.84	3,464.28
(c) Trade receivables	15	3,083.63	3,418.49	4,639.93	3,359.16
(d) Cash and cash equivalents	16	98.57	19.26	2.61	5.63
(e) Short-term loans and advances	17	0.00	0.00	0.00	0.00
(f) Other current assets	18	45.04	35.38	355.78	488.20
<b>Total</b>		<b>6,887.19</b>	<b>7,972.53</b>	<b>9,142.66</b>	<b>7,329.17</b>
Significant Accounting Policies	4A				
Notes forming part of the Financial Statement	5 to 32				

Annexure - 2 : Restated Statement of Profit and Loss					
(Amount Rs. In Lakhs)					
Particulars	Annex No	For the ten-months ended 31 <sup>st</sup> January, 2024	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
I. Revenue from operations:	19	1,498.25	2,094.07	8,521.64	18,016.73
II. Other income:	20	0.00	0.00	6.37	11.06
<b>III. Total Income (I + II)</b>		<b>1,498.25</b>	<b>2,094.07</b>	<b>8,528.00</b>	<b>18,027.79</b>
<b>IV. Expenses:</b>					
Purchases of Stock-in-Trade	21	425.11	2,250.48	9,033.24	18,671.77
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	837.68	-344.40	-668.56	-850.99
Employee benefit expense	23	57.45	63.44	52.59	45.12
Finance Costs	24	12.95	6.36	10.30	0.33
Depreciation and Amortization Expense	25	1.03	1.17	2.21	2.33
Other Expenses	26	57.82	66.16	66.03	129.91
<b>Total Expenses (IV)</b>		<b>1,392.05</b>	<b>2,043.21</b>	<b>8,495.80</b>	<b>17,998.46</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	<b>106.20</b>	<b>50.87</b>	<b>32.20</b>	<b>29.33</b>
VI. Exceptional Items		0.00	0.00	0.00	0.00
VII. Profit before extraordinary items and tax	(V - VI)	<b>106.20</b>	<b>50.87</b>	<b>32.20</b>	<b>29.33</b>
VIII. Extraordinary Items	27	0.00	0.00	0.00	0.00
IX. Profit before tax	(VII - VIII)	<b>106.20</b>	<b>50.87</b>	<b>32.20</b>	<b>29.33</b>
X. Tax Expense:					
(1) Current Tax		30.00	14.50	8.53	7.63
(2) Deferred Tax	28	0.12	0.11	-0.26	-0.26
(2) Tax Adjustment of Earlier Years		0.00	0.00	0.00	0.00
XI. Profit/(Loss) from the period from continuing operations	(IX-X)	<b>76.08</b>	<b>36.26</b>	<b>23.94</b>	<b>21.96</b>
XII. Profit/(Loss) from discontinuing operations		0.00	0.00	0.00	0.00
XIII. Tax expense of discontinuing operations		0.00	0.00	0.00	0.00
XIV. Profit/(Loss) from discontinuing operations after tax	(XII - XIII)	0.00	0.00	0.00	0.00
XV. Profit/(Loss) for the period	(XI + XIV)	<b>76.08</b>	<b>36.26</b>	<b>23.94</b>	<b>21.96</b>
XVI. Earning Per Equity Share:					
(1) Basic		<b>1.52</b>	<b>0.81</b>	<b>2.15</b>	<b>32.29</b>
(2) Diluted		<b>1.52</b>	<b>0.81</b>	<b>2.15</b>	<b>32.29</b>
Significant Accounting Policies	4A				
Reconciliation of Restated Profit & Audit Profit	4B				
Notes forming part of the Financial Statement	5 to 32				

Annexure - 3: Restated Statement of Cash Flow				
(Amount Rs. In Lakhs)				
Particulars	As At 31st January, 2024	As At 31st March, 2023	As At 31st March, 2022	As At 31st March, 2021
<b>(A) Cash Flow from Operating Activities</b>				
<b>Restated Net Profit Before Tax and Extraordinary items</b>	106.20	50.87	32.20	29.33
<b>Adjustments For:</b>				
Gratuity Provision	0.00	0.00	0.00	0.00
(Interest Received)	0.00	0.00	0.00	0.00
Income-tax/Prior Year Adjustment	0.00	0.00	0.00	0.00
(Profit on sale of fixed assets)	0.00	0.00	0.00	0.00
Interest and Finance Charges Paid	12.95	6.36	8.68	0.00
Depreciation	1.03	1.17	2.21	2.33
<b>Operating profit before working capital changes</b>	120.18	58.40	43.09	31.66
<b>Changes in Working Capital</b>				
(Increase)/Decrease in Trade Receivables	334.86	1,223.05	-1,280.77	-3,165.93
(Increase)/Decrease in Inventories	837.68	-344.40	-668.56	-850.99
(Increase)/Decrease in Short Term Loans and Advances	0.00	0.00	0.00	0.00
(Increase)/Decrease in Long Term Loans and Advances	0.00	0.00	0.00	0.00
(Increase)/Decrease in Other Current Assets	-9.66	320.40	132.41	-49.98
(Increase)/Decrease in Other Non-current Assets	0.64	-8.32	-0.50	0.00
Increase/(Decrease) in Long Term Provisions	0.00	0.00	0.00	0.00
Increase/(Decrease) in Trade Payables	-1,198.32	-1,231.09	1,178.56	4,079.08
Increase/(Decrease) in other Current liabilities	8.34	9.56	6.31	-15.90
Increase/(Decrease) in Short Term Provisions	0.00	0.00	0.00	0.00
<b>Cash Generated from / (used in) operating activities</b>	93.72	27.59	-589.45	27.94
<b>Less : Income Tax paid</b>	0.00	0.00	-7.63	9.90
<b>Cash Flow before extraordinary items</b>	93.72	27.59	-597.08	37.84
<b>Extraordinary items</b>	0.00	0.00	0.00	0.00
<b>Net cash generated from / (used in) Operating Activities.....A</b>	93.72	27.59	-597.08	37.84
<b>(B) Cash Flow from Investing Activities</b>				
(Increase)/Decrease in Non-Current Investment	0.00	0.00	0.00	1.05
Interest Received	0.00	0.00	0.00	0.00
(Purchase) of Tangible Fixed Assets	0.00	-3.61	-1.05	-3.05
Sale of Tangible Fixed Assets	0.00	0.00	0.00	0.00
<b>Net cash generated from / (used in) Investing Activities.....B</b>	0.00	-3.61	-1.05	-2.00
<b>(C) Cash Flow from financing Activities</b>				
Proceeds from issue of Share Capital	0.00	0.00	493.20	0.00
Increase/(Decrease) in Short Term Borrowings	0.00	0.00	0.00	0.00
Increase/(Decrease) in Long Term Borrowings	-1.44	-0.98	110.62	-37.35
Interest and Finance Charges Paid	-12.95	-6.36	-8.68	0.00
Dividend & tax thereon	0.00	0.00	0.00	0.00
Increase/(Decrease) in Share Application Money	0.00	0.00	0.00	0.00
<b>Net cash generated from / (used in) Financing Activities.....C</b>	-14.39	-7.34	595.14	-37.35
<b>Net increase in cash and cash equivalents (A+B+C)</b>	79.33	16.65	-2.99	-1.50
<b>Cash and cash equivalents at the beginning</b>	19.26	2.61	5.63	7.14
<b>Cash and cash equivalents at the end</b>	98.57	19.26	2.61	5.63
<b>Notes: -</b>				
1) Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.				
2) Figures in brackets represents outflows.				
3) The above statement should be read with the restated statement of assets and liabilities, statement of profit and loss, Significant Accounting Policies and Notes as appearing in Annexure 1, 2 and 4(A) respectively				

## GENERAL INFORMATION

Our Company was incorporated as ‘Citichem Alkalies (Bombay) Private Limited’ pursuant to a Certificate of Incorporation dated March 18, 1992, issued by the Registrar of Companies, Maharashtra, as a private company under the provisions of the Companies Act, 1956. Further, our Company was converted into public limited company and consequently name of our Company was changed from ‘Citichem Alkalies (Bombay) Private Limited’ to ‘Citichem Alkalies (Bombay) Limited’ vide special resolution passed by the shareholders of the Company at an extra-ordinary general meeting held on March 01, 1999, and a fresh certificate of incorporation dated March 23, 1999, was issued by Registrar of Companies, Maharashtra. Thereafter, pursuant to fresh certificate of incorporation dated April 17, 1999, the name of our company has been changed from ‘Citichem Alkalies (Bombay) Limited’ to ‘Citichem India Ltd’. The Corporate Identification Number of our Company is U24100MH1992PLC065975.

For details of changes in name and registered offices of our Company, please refer to the section titled ‘*History and Certain Other Corporate matters*’ beginning on page 119 of this Draft Prospectus.

### Registered and Corporate Office of our Company

<b>CIN</b>	U24100MH1992PLC065975
<b>Registration Number</b>	065975
<b>Date of incorporation</b>	March 18, 1992
<b>Registered Office Address</b>	7, Floor-1, Plot-96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai, Maharashtra- 400003
<b>Corporate Office Address</b>	512, 5th floor Yogeshwar Premises 135, Kazi Sayed Street, Masjid Bunder West Mumbai-400003, Maharashtra, India.
<b>Company Category</b>	Company limited by Shares
<b>Company Subcategory</b>	Non-Government company
<b>Telephone number</b>	91-7506196222/91-9223432143
<b>Email-ID</b>	citichemindia ltd@gmail.com / marketing@citichemindia.com
<b>Website</b>	www.citichemindia.com

### Registrar of Companies

<b>Address</b>	Registrar of Companies, Mumbai, 100, Everest, Marine Drive, Mumbai-400002, Maharashtra, India.
<b>Telephone number</b>	022-22812627/ 22020295/ 22846954
<b>Facsimile</b>	022 22811977
<b>Email-ID</b>	<a href="mailto:roc.mumbai@mca.gov.in">roc.mumbai@mca.gov.in</a>
<b>Website</b>	<a href="http://www.mca.gov.in">http://www.mca.gov.in</a>

### Designated Stock Exchange

Our Company proposed to list its Equity Shares on the SME Platform of BSE Limited located at 25th Floor, P. J. Towers, Dalal Street, Mumbai Maharashtra 400001, Maharashtra, India.

### Issue Information

<b>Issue Opening Date</b>	[●]
<b>Issue Closing Date</b>	[●]

### Board of Directors

Our Company’s Board comprises of the following Directors:



Name	DIN	Designation	Residential Address
Arif Esmail Merchant	00500363	Managing Director	Kalpataru Heights, 19th Floor, Flat No. 191, Dr. Anandrao Nair Road, Next to Agripada Police St Mumbai-400011, Maharashtra, India
Hashim Arif Merchant	03015945	Director	A-72, ST Andrews CHS Ltd, 3, Souter Street, Next to Jhula Maidan, Central Agripada, Mumbai- 400008, Maharashtra, India
Wasim Nisar Rizvi	08651434	Director	Room No. 42, Chawl No.5, Samna Nagar Gate No.8, Near Bus Depot Malvani, Malad West, Kharodi, Mumbai-400095, Maharashtra, India
Ms. Valentina Priyanka Creado	09835529	Independent Director	Room No. 353, Juhu Versova Ekta CHS, Juhu Versova Link Road Near Vikram Petrol Pump, 4 Bunglow, Andheri West, Mumbai-400053, Maharashtra, India
Mr. Vijay Kumar Bhatt	10046766	Independent Director	Sankhara, Bhilwara, Rajasthan-311603

For further details of our Directors, see '*Our Management*' on page 122 of this Draft Prospectus.

#### Company Secretary and Compliance Officer

Name	Puja Sharma
Address	7, Floor-1, Plot-96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai Maharashtra- 400003
Email Address	Citichemindialtd@gmail.com/ marketing@citichemindia.com
Contact Number	91-7506196222/91-9223432143
Website	www.citichemindia.com

#### Chief Financial Officer

Name	Farheen Ansari
Address	7, Floor-1, Plot-96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai- 400003, Maharashtra, India
Email Address	citichemindialtd@gmail.com/ marketing@citichemindia.com
Contact Number	91-7506196222/ 91-9223432143
Website	www.citichemindia.com

#### Investor Grievances

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

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

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

the Registered Broker and/or a Stock Broker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

#### Details of other Key Intermediaries pertaining to this Issue and Our Company

<b>Lead Manager to the Issue</b> <b>HORIZON MANAGEMENT PRIVATE LIMITED</b> <b>Principal Place of Business:</b> 19, R. N. Mukherjee Road, Main Building, 2 <sup>nd</sup> Floor, Kolkata – 700001, India. <b>Telephone:</b> +91-33 4600 0607 <b>Email:</b> akash.das@horizon.net.co <b>Investor Grievance Email ID:</b> investor.relations@horizon.net.co <b>Contact Person:</b> Akash Das <b>Website:</b> www.horizonmanagement.in <b>SEBI Registration Number:</b> INM000012926 <b>CIN:</b> U74140WB1996PTC077991	<b>Legal Advisor to the Issue</b> Sushmita Adhikari & Associates <b>Address:</b> 138/17, Anupam Garden, Saket- 110068, India. <b>Contact No.:</b> +91 9990536363 <b>Email-ID:</b> cssushmitaadhikari2021@gmail.com <b>Contact Person:</b> Ms. Sushmita Adhikari <b>Firm Registration No.:</b> S2022DE863100
<b>Registrar to the Issue</b> <b>KFin Technologies Limited</b> <b>Address:</b> Selenium, Tower-B, Plot 31& 32, Gachibowli Financial District Nanakramguda, Hyderabad – 500032, Telangana, India <b>Telephone:</b> +91-40-6716-2222 <b>Email:</b> citichemindia.ipo@kfintech.com <b>Investor Grievance Email ID:</b> einward.ris@kfintech.com <b>Contact Person:</b> M Murali Krishna <b>Website:</b> www.kfintech.com <b>SEBI Registration Number:</b> INR000000221 <b>CIN:</b> L72400TG2017PLC117649	<b>Banker to the Company</b> ICICI Bank Limited <b>Address:</b> Capital Market Division, 163, 5 <sup>th</sup> Floor, H.T. Parekh Marg Backbay Reclamation, Churchgate, Mumbai - 400020 <b>Tel:</b> 022-68052182 <b>Fax:</b> 022-22611138 <b>Email:</b> varun.badai@icicibank.com <b>Website:</b> www.icicibank.com <b>Contact Person:</b> Mr. Varun Badai <b>SEBI Registration Number:</b> INBI000000004
<b>Statutory Auditor to the Company</b> <b>NGST &amp; Associates,</b> <b>Chartered Accountants</b> <b>Address:</b> Office No. 1111, 11th Floor, Ghanshyam Enclave, Laljipada Police Chowki, Link Road, Kandivali (W), Mumbai- 400067, Maharashtra, India <b>Tel:</b> +91-022-65604535/66924535 <b>Email:</b> bhupendra@ngstca.com <b>Contact Person:</b> Bhupendra Gandhi <b>Firm Registration:</b> 135159W <b>Membership Number:</b> 122296	<b>Peer Review Auditor to the Company</b> <b>M/s GGPS and Associates,</b> <b>Chartered Accountants</b> <b>Address:</b> 306, Fourth Floor Westend Mall, District Centre, Near Hyatt Centric Janakpuri West, New Delhi – 110058, India <b>Tel:</b> +91-9711770487 <b>Email:</b> gaurav.ca2010@gmail.com <b>Contact Person:</b> Gaurav Gupta <b>Firm Registration:</b> 032345N <b>Membership Number:</b> 524688 <b>Peer Review Registration Number:</b> 013884
<b>Bankers to the Issue / Public Issue Bank / Refund Banker<sup>^</sup></b> [•] <b>Tel:</b> [•] <b>Fax No.</b> [•] <b>Email:</b> [•] <b>Website:</b> [•] <b>Contact Person:</b> [•]	

*GGPS and Associates, Chartered Accountant is a Peer Review Auditor of our Company in compliance with section 11 of part A of Schedule VI of SEBI (ICDR) 2018 and hold a valid peer review certificate number 013884 dated December 18, 2021, issued by the 'Peer Review Board' of the ICAI.*

#### Market Maker to the Issue

[•]



## **DESIGNATED INTERMEDIARIES**

### **Self-Certified Syndicate Banks**

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

### **SCSBS and Mobile Applications enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

### **Syndicate SCSB Branches**

In relation to Applications submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

### **Registered Brokers**

Investors can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchange at <https://www.bseindia.com/> as updated from time to time.

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

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

### **Collecting Depository Participants**

The list of the Collecting Depository Participants (CDPs) eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is 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.

### **Experts to the Issue**

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received a written consent dated Thursday, 23 March 2023 from our M/s GGPS and Associates, Chartered Accountants, our Peer Review Auditor to include their names as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Prospectus, and as 'experts' as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as Peer Review Auditor, and in respect of their (a) examination report of our Statutory Auditor dated 07 June 2024 on the Restated Financial Information and (b) report dated **12 June 2024** on the statement of special tax benefits.

Further, our Company has received a written consent dated June 17, 2024 from M/s GGPS and Associates, Chartered Accountants, our Peer Review Auditor to include their names as 'experts' as defined under section 2(38) of the Companies Act, in respect of the certification issued by them on the key performance indicators included in this Draft Prospectus. Such consents have not been withdrawn as on the date of this Draft Prospectus. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

### **Statement of Inter-Se Allocation of Responsibilities**

Horizon Management Private Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

### **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Offer.

### **Monitoring Agency**

Our Company is not required to appoint a monitoring agency pursuant to the proviso to Regulation 262(1) of ICDR Regulations as net proceeds of the Issue will be less than Rs. 10000 lakhs.

### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

### **Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

### **Brokers to the Issue**

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

### **Debenture Trustees**

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

### **Green Shoe Option**

No green shoe option is contemplated under this Issue.

## Filing of Draft Prospectus/Prospectus with the SEBI/ROC

The Draft 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. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of the Offer Document shall be furnished to the Board (SEBI) in a soft copy. Pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. Further, a copy of the Prospectus, will also be filed with the Designated Stock Exchange, where the Equity Shares are proposed to be listed. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Prospectus will be mailed at the e-mail address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in)

A copy of the Prospectus, along with the material contracts, documents will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

## Changes in Statutory Auditors during the last three years

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

Name of Statutory Auditor	Date of Change	Reason for change
<b>M/s. MNN and Associates,</b> Chartered Accountant Shop No. 2, Om Shivam CHS 2, Tarun Bharat, Cigarette Factory, Chakala, Andheri (East), Mumbai – 400 099, Maharashtra, India. <b>Telephone:</b> +91 022 28229178 <b>Email:</b> <a href="mailto:mnnassociates.ca@gmail.com">mnnassociates.ca@gmail.com</a> <b>Firm Registration No.:</b> 141125W <b>Peer Review Certificate No.:</b> NA	November 01, 2021	Casual vacancy caused on account of resignation of the auditor due to pre-occupations in other assignments.
<b>M/s. Vinay Yadav &amp; Associates,</b> Chartered Accountant 105, G Wing, Building No. 7, Latif Park, Mira Bhayander Road, Mira Road East, Thane – 401 107, Maharashtra, India. <b>Telephone:</b> +91 7738369285 <b>Email:</b> <a href="mailto:vinayay10@gmail.com">vinayay10@gmail.com</a> <b>Firm Registration No.:</b> 152077W <b>Peer Review Certificate No.:</b> NA	November 02, 2021	Statutory Auditor appointed to fill the casual vacancy caused on account of resignation of the <i>erstwhile</i> auditor.
<b>M/s. Vinay Yadav &amp; Associates,</b> Chartered Accountant 105, G Wing, Building No. 7, Latif Park, Mira Bhayander Road, Mira Road East, Thane – 401 107, Maharashtra, India. <b>Telephone:</b> +91 7738369285 <b>Email:</b> <a href="mailto:vinayay10@gmail.com">vinayay10@gmail.com</a> <b>Firm Registration No.:</b> 152077W <b>Peer Review Certificate No.:</b> NA	August 08, 2022	Casual vacancy caused on account of resignation of the auditor due to pre-occupations in other assignments.
<b>M/s. Sayed and Associates,</b> Chartered Accountant C-2/19, 1 <sup>st</sup> Floor, N.G. Estate CHSL, Opp. Reliance Petrol Pump, Mira Bhayander Road, Above Vodafone Gallery, Mira Road (E), Thane – 401 107, Maharashtra, India. <b>Telephone:</b> +91 022 28114127 <b>Email:</b> <a href="mailto:sayedandassociates@gmail.com">sayedandassociates@gmail.com</a> <b>Firm Registration No.:</b> 133736W <b>Peer Review Certificate No.:</b> NA	August 10, 2022	Statutory Auditor appointed to fill the casual vacancy caused on account of resignation of the <i>erstwhile</i> auditor.

Name of Statutory Auditor	Date of Change	Reason for change
<b>M/s. Sayed and Associates,</b> Chartered Accountant C-2/19, 1 <sup>st</sup> Floor, N.G. Estate CHSL, Opp. Reliance Petrol Pump, Mira Bhayander Road, Above Vodafone Gallery, Mira Road (E), Thane – 401 107, Maharashtra, India. <b>Telephone:</b> +91 022 28114127 <b>Email:</b> sayedandassociates@gmail.com <b>Firm Registration No.:</b> 133736W <b>Peer Review Certificate No.:</b> NA	September 15, 2023	Casual vacancy caused on account of resignation of the auditor due to pre-occupations in other assignments.
<b>M/s. NGST &amp; Associates,</b> Chartered Accountant Office No. 1111, 11th Floor, Ghanshyam Enclave, Laljipada Police Chowki, Link Road, Kandivali (W), Mumbai- 400067, Maharashtra, India. <b>Telephone:</b> +91-022-65604535/66924535 <b>Email:</b> bhupendra@ngstca.com <b>Firm Registration No.:</b> 135159W <b>Peer Review Certificate No.:</b> NA	September 20, 2023	Statutory Auditor appointed to fill the casual vacancy caused on account of resignation of the <i>erstwhile</i> auditor.

## Issue Programme

<b>Issue Opening Date</b>	[●]
<b>Issue Closing Date</b>	[●]
<b>Finalisation of Basis of Allotment with BSE</b>	[●]
<b>Initiation of Allotment / Refunds/ unblocking of ASBA Accounts <sup>(1)</sup></b>	[●]
<b>Credit of Equity Shares to demat accounts of the Allottees</b>	[●]
<b>Commencement of trading of the Equity Shares on BSE</b>	[●]

<sup>(1)</sup> 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 Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager 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 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 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/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. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall ensure the listing and commencement of trading of Equity Shares, within three Working Days from the closure of the Issue, in accordance with the timeline provided under the aforementioned circular.

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 Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date may be extended in consultation with the LM, RTA and Designated Stock Exchange 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 Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m.



(IST) on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such 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 LM is liable for any failure in uploading the 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 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 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.

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.**

On the Issue Closing Date, for uploading the Application Forms:

1. 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors; and
2. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchanges.

For further details, see “*Issue Structure*” and “*Issue Procedure*” beginning on pages 225 and 228 respectively.

Applicants should note the Issue is also subject to (i) obtaining final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

### **Withdrawal of the Issue**

Our Company in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

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

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

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

### **Underwriting Agreement**

In terms of Regulation 260 of the ICDR Regulations, the initial public offer shall be underwritten for 100% of the Issue and shall not be restricted up to the minimum subscription level. The lead manager(s) shall underwrite at least 15.00% of the Issue size on their own account(s). Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten.

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The

underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein.

The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue.

Name, address, telephone number and e-mail address of the Underwriter	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs in Lakhs)	% of the total Issue Size Underwritten
[●] Contact Number: [●] E-mail Address: [●] Contact Person: [●] Investor Grievance E-mail Address: [●] SEBI Registration No: [●]	[●]	[●]	[●]

*\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated [●] in order to comply with the requirements of Regulation 261 of the ICDR Regulations.*

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI or registered as brokers with the Stock Exchange(s).

#### Market Making Arrangement for this Issue

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making for this Issue:

Name	[●]
Address	[●]
Contact Number	[●]
E-mail Address	[●]
Website	[●]
Contact Person	[●]
SEBI Registration Number	[●]
CIN	[●]
Market Maker Registration Number	[●]

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

M/s. [●], registered with BSE Limited, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI (ICDR) Regulations as amended from time to time.

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

#### Following is a summary of the key details pertaining to the Market Making Arrangement:

1. *In terms of regulation 261(1) of ICDR Regulations, the Market Making arrangement through the Market Maker will be in place for a period of 3 years from the date of listing of our Equity Shares and shall be carried out in accordance with ICDR Regulations and the circulars issued by the BSE and SEBI regarding this matter from time to time.*

2. *In terms of regulation 261(2) of ICDR Regulations, the market maker or issuer, in consultation with the lead manager(s) may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the BSE Limited.*
3. *In terms of regulation 261(3) of ICDR Regulations, the following is a summary of the key details pertaining to the Market Making arrangement:*
  - a. The Market Maker '[●]' shall be required to provide a two-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
  - b. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE and SEBI from time to time.
  - c. The Market Maker is required to comply with SEBI Circular CIR/MRD/DSA/31/2012 dated November 27, 2012, and ICDR Regulations and relevant Exchange Circulars requirement for Market Makers on platform.
  - d. The minimum depth of the quote shall be Rs1 Lakh. However, the Investors with holdings of value less than Rs1 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
  - e. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
  - f. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and Emerge Platform of NSE from time to time.
  - g. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
  - h. There would not be more than five Market Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker for better quotes to the investors.
  - i. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on Emerge Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
  - j. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on BSE (in this case currently the minimum trading lot size is [●] Equity Shares; however, the same may be changed by the BSE from time to time).
  - k. The Equity Shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular CIR/MRD/DP/ 02/2012 dated January 20, 2012) on Platform of BSE Limited and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
  - l. The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the BSE Limited.
  - m. 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 Stock Exchange for deciding controllable and non-controllable reasons would be final.
  - n. In terms of Regulation 261(6) of ICDR Regulations, Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of Citichem India Limited or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
  - o. In terms of Regulation 261(7) of SEBI ICDR Regulations, The Promoters' holding of Citichem India Limited shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the

promoters' holding of Citichem India Limited which is not locked-in as per the ICDR Regulations, can be traded with prior permission of the Platform of BSE Limited, in the manner specified by SEBI from time to time.

- p. The Lead Manager may be represented on the Board of the Issuer Company in compliance with Regulation 261(8) of ICDR Regulations.
- q. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of Citichem India Limited via its 2- way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
- r. Risk containment measures and monitoring for Market Maker: BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- s. Punitive Action in case of default by Market Maker(s): BSE Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Stock 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 they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

- t. The Market Maker(s) shall have the Rights to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the ICDR Regulations. Further the Company and the Lead Manager reserve the Rights to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the relevant laws and regulations applicable at that particular point of time.

- u. On the first day of the listing, there will be pre-opening session (call-auction) and thereafter 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
- v. Pursuant to SEBI Circular CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upperside 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 Rs. 2000 Lakhs	25.00%	24.00%
Rs. 2000 Lakhs to Rs. 5000 Lakhs	20.00%	19.00%
Rs. 5000 Lakhs to Rs. 8000 Lakhs	15.00%	14.00%
Above Rs. 8000 Lakhs	12.00%	11.00%

- w. All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.
- x. **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 Rs250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price. 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.
4. In terms of regulation 261(4) of ICDR Regulations, the specified securities being bought or sold in the process of market making may be transferred to or from the nominated investors with whom the lead manager(s) and the issuer have entered into an agreement for market making: Provided that the inventory of the market maker, as on the date of allotment of the specified securities, shall be at least five per cent. of the specified securities proposed to be listed on BSE.
5. In terms of regulation 261(5) of ICDR Regulations, The market maker shall buy the entire shareholding of a shareholder of the issuer in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the BSE: Provided that market maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of BSE Limited.

## CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Draft Prospectus is set forth below:

Particulars	Aggregate value at face value (Rs. in Lakhs)	Aggregate value at Issue Price* (Rs. in Lakhs)
<b>AUTHORIZED SHARE CAPITAL</b>		
75,00,000 Equity Shares	750.00	-
<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE</b>		
50,00,000 Equity Shares	500.00	-
<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>		
Issue of up to 18,00,000 Equity Shares for cash at a price of Rs. [●] per Equity Share <sup>(1)</sup>	[●]	[●]
<b>Which comprises of:</b>		
<b>Reservation for Market Maker portion</b>		
[●] Equity Shares at a premium of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
<b>Net Issue to the Public</b>		
[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share	[●]	[●]
<b>Of which:</b>		
[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lakhs	[●]	[●]
[●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for allotment to Retail Individual Investors of above Rs. 2.00 Lakhs	[●]	[●]
<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>		
[●] Equity Shares of face value of Rs10 each		[●]
<b>SECURITIES PREMIUM ACCOUNT</b>		
Before the Issue		Nil
After the Issue		[●]

\* To be updated upon finalization of the Issue Price.

<sup>(1)</sup> This issue has been authorised by a resolution of our Board dated Monday, 1<sup>st</sup> April 2024 and a special resolution of our Shareholders dated Wednesday 24<sup>th</sup> April 2024 under section 62(1)(c) of the Companies Act, 2013.

### Class of Shares

The Company has only one class of shares i.e., Equity shares of Rs. 10.00/- 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 Prospectus.

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

### Changes in the authorized share capital of Our Company since incorporation

Sr. No.	Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorized Share Capital (Rs.)	Details of change
1.	March 18, 1992	On Incorporation	50,000	Incorporated with an Authorized Share Capital of Rs50,000 comprising of 5,000 Equity Shares of Rs10/- each.
2	24/02/1995	EOGM	10,00,000	Increase in Authorized Share Capital of from Rs 50,000 comprising of 5,000 Equity Shares of Rs 10/- each to Rs10,00,000 comprising of 1,00,000 Equity Shares of Rs10/- each.
3	October 30, 2019	EOGM	5,00,00,000	Increase in Authorized Share Capital from Rs10,00,000 comprising of 1,00,000 Equity Shares of Rs10/- each to

Sr. No.	Date of Shareholders approval	EGM/AGM/ Postal Ballot	Authorized Share Capital (Rs.)	Details of change
				Rs5,00,00,000 comprising of 50,00,000 Equity Shares of Rs 10/- each.
4	February 01, 2023	EOGM	7,50,00,000	Increase in Authorized Share Capital from Rs5,00,00,000 comprising of 50,00,000 Equity Shares of Rs10/- each to Rs7,50,00,000 comprising of 75,00,000 Equity Shares of Rs10/- each.

## NOTES TO THE CAPITAL STRUCTURE

### 1. Equity Share Capital History of our Company

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

Date of Allotment/Date of Shareholder's Resolution	Reason/Nature of Allotment	No. of Equity Shares Allotted	Cumulative No. of Equity Shares	Face Value (Rs)	Issue price per Equity Share (Rs)	Form of consideration
March 18, 1992	Initial subscription to the MOA <sup>(1)</sup>	10	10	10	10	Cash
February 12, 1994	Preferential allotment <sup>(2)</sup>	4,990	5,000	10	10	Cash
March 31, 1996	Preferential allotment <sup>(3)</sup>	45,000	50,000	10	10	Cash
March 30, 2001	Preferential allotment <sup>(4)</sup>	18,000	68,000	10	100	Cash
October 01, 2021	Rights Issue <sup>(5)</sup>	49,32,000	50,00,000	10	10	Cash

1. Allotment of 5 Equity Shares to Arif Esmail Merchant and 5 Equity Shares to Mrs. Zatinussa Merchant pursuant to their subscription to the MoA
2. Allotment of 2,990 Equity Shares to Arif Esmail Merchant, 750 Equity shares to Mrs. Fozia Arif Merchant and 1,250 Equity Shares to Esmail Merchant.
3. Allotment of 35,000 Equity Shares to Arif Esmail Merchant and 10,000 Equity Shares to Fozia Arif Merchant.
4. Allotment of 8,000 to Mumtaz Sadruddin Ahmad and 10,000 Equity Shares to Irfan Mohd. Yusuf.
5. Allotment of 1944001 Equity Shares to Arif Esmail Merchant, 4,88,000 Equity Shares to Fozia Arif Merchant, 19,99,999 Equity Shares to Hashim Arif Merchant and 5,00,000 Equity Shares to Saima Hashim Merchant.

### 2. Preference Shares Capital History of our Company

As on the date of the Draft Prospectus, our Company does not have outstanding preference shares.

### 3. Equity Shares issued for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash.

### 4. Issue of equity shares at a price lower than issue price within last one year.

Our Company has not issued Equity Shares at a price lower than the Issue Price during a period of one year preceding the date of the Draft Prospectus.

### 5. Equity Shares or preference shares out of its revaluation reserves



Our Company has not issued any Equity Shares or preference shares out of its revaluation reserves at any time since incorporation.

**6. Allotment pursuant to scheme of amalgamation**

Our Company has not issued or allotted any Equity Shares pursuant to schemes of amalgamation approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-232 of the Companies Act, 2013.

7. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.

**Other Confirmations**

All transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of this Draft Prospectus and the date of closing of the Issue shall be reported to the Stock Exchange within 24 hours of such transactions.

The Issue Price shall be determined by our Company in consultation with the Lead Manager after the Issue Closing Date. Our Company has not issued any Equity Shares at a price which may be lower than the Issue Price, during a period of one year preceding the date of this Draft Prospectus.

## 8. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Prospectus:

Category (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total number of Equity Shares (calculate as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C)	No. of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise Encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a total Shares held (b)	Number (a)	As a total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoter and Promoter Group	8	41,62,500	-	-	41,62,500	83.25	41,62,500	83.25	83.25	-	83.25	-	-	-	-	41,62,496
(B)	Public	10	8,37,500	-	-	8,37,500	16.75	8,37,500	16.75	16.75	-	16.75	-	-	-	-	8,37,500
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A+B+C)</b>	<b>18</b>	<b>50,00,000</b>	<b>-</b>	<b>-</b>	<b>50,00,000</b>	<b>100.00</b>	<b>50,00,000</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,99,996</b>

\* As on the date of this Draft Prospectus 1 Equity Share holds 1 vote

^ We have only 1 class of Equity Shares of face value of Rs10.00/- each

\$ As on the date of this Draft Prospectus, all the Equity Shares are held in physical form and shall be dematerialized prior to filing of Prospectus with RoC

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the LODR Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

## 9. Other details of Shareholding of our Company

- a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as on the date of filing of this Draft Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Mr. Arif Esmail Merchant	18,92,496	37.85
2.	Mrs. Fozia Arif Esmail Merchant	5,00,000	10.00
3.	Mr. Hashim Arif Merchant	10,20,004	20.40
4.	Mrs. Saima Hashim Merchant	5,00,000	10.00
5.	Mr. Kaushik Bhupatrai Joshi	1,00,000	2.00
6.	Mr. Nadeem Ismail Rokadia	1,25,000	2.50
7.	Mr. Fairoz Rokadia Ismail	1,25,000	2.50
8.	Globopac India Private Limited	3,00,000	6.00
9.	Heena Amil	1,70,000	3.40
10.	Pranav Bhagat	1,00,000	2.00
11.	Suhail Patca	1,00,000	2.00
	<b>Total</b>	<b>49,32,500</b>	<b>98.65</b>

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Mr. Arif Esmail Merchant	18,92,496	37.85
2.	Mrs. Fozia Arif Esmail Merchant	5,00,000	10.00
3.	Mr. Hashim Arif Merchant	10,20,004	20.40
4.	Mrs. Saima Hashim Merchant	5,00,000	10.00
5.	Mr. Kaushik Bhupatrai Joshi	1,00,000	2.00
6.	Mr. Nadeem Ismail Rokadia	1,25,000	2.50
7.	Mr. Fairoz Rokadia Ismail	1,25,000	2.50
8.	Globopac India Private Limited	3,00,000	6.00
9.	Heena Amil	1,70,000	3.40
10.	Pranav Bhagat	1,00,000	2.00
11.	Suhail Patca	1,00,000	2.00
	<b>Total</b>	<b>49,32,500</b>	<b>98.65</b>

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of one year prior to the date of filing of this Draft Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Mr. Arif Esmail Merchant	18,92,496	37.85
2.	Mrs. Fozia Arif Esmail Merchant	5,00,000	10.00
3.	Mr. Hashim Arif Merchant	20,00,000	40.00
4.	Mrs. Saima Hashim Merchant	5,00,000	10.00
5.	Mr. Sanjay Dave	1,00,000	2.00
	<b>Total</b>	<b>49,92,496</b>	<b>99.85</b>

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of filing of this Draft Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Issue Equity Share Capital (%)
1.	Mr. Arif Esmail Merchant	19,99,996	40.00
2.	Mrs. Fozia Arif Esmail Merchant	5,00,000	10.00
3.	Mr. Hashim Arif Merchant	20,00,000	40.00

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre- Issue Equity Share Capital (%)
4.	Mrs. Saima Hashim Merchant	5,00,000	10.00
	<b>Total</b>	<b>49,99,996</b>	<b>100.00</b>

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.
- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Prospectus.

## 10. Company Undertaking

Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

11. As on the date of the filing of this Draft Prospectus, our Company has 18 (Eighteen) Shareholders.

## 12. Build-up of the Promoters' shareholding in our Company

As on the date of this Draft Prospectus, our Promoter holds 18,92,496 Equity Shares, equivalent to 37.85% of the issued, subscribed and paid-up Equity Share capital of our Company. The build-up of the Equity Shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Date of Allotment/ Transfer / Transmission	Nature of transaction	Consideration	No. of Equity Shares	Face value per Equity Share (Rs)	Issue Price/ Transfer Price per Equity Share (Rs)	Cumulative No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital*
<b>Mr. Arif Esmail Merchant</b>								
March 18, 1992	Subscription to the MoA	Cash	5	10	-	5	50.00%	[●]
February 12, 1994	Private Placement	Cash	2,990	10	10	2995	60.00%	[●]
February 12, 1994	Transfer from Zaitunissa S. Merchant	Cash	5	10	10	3000	60.00%	[●]
March 31, 1996	Private Placement	Cash	35,000	10	10	38,000	76.00%	[●]
February 02, 1999	Transfer to Nadeem Ismail Rokadia	Cash	1	10	10	37,999	76.00%	[●]
February 02, 1999	Transfer to Fairoz Rokadia	Cash	1	10	10	37,998	76.00%	[●]

Date of Allotment/ Transfer / Transmission	Nature of transaction	Consideration	No. of Equity Shares	Face value per Equity Share (Rs)	Issue Price/ Transfer Price per Equity Share (Rs)	Cumulative No. of Equity Shares	% of Pre-Issue Equity Share Capital	% of Post-Issue Equity Share Capital*
February 02, 1999	Transfer to Hashim Merchant	Cash	1	10	10	37,997	76.00%	[●]
February 02, 1999	Transfer to Hamza Merchant	Cash	1	10	10	37,996	76.00%	[●]
February 02, 1999	Transfer to Rizwana Aslam Merchant	Cash	1	10	10	37,995	76.00%	[●]
June 04, 2001	Transfer from Irfan Mohd Yusuf	Cash	10000	10	10	47,995	96.00%	[●]
June 04, 2001	Transfer from Mumtaz Sadruddin Ahmad	Cash	8000	10	10	55,995	39.98%	[●]
October 01, 2021	Private Placement	Cash	19,44,001	10	10	19,99,996	39.27%	[●]
September 27, 2022	Transfer to Sanjay Dave	Cash	1,00,000	10	10	18,99,996	37.99%	[●]
September 28, 2022	Transfer to Valentina Priyanka Ekberth Creado	Cash	7,500	10	10	18,92,496	37.85%	[●]
<b>Total</b>			<b>18,92,496</b>					

\* Subject to finalisation of basis of Allotment

All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Prospectus.

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

13. The details of the Shareholding of the members of the Promoter Group as on the date of filing of this Draft Prospectus are set forth in the table below:

No.	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
Promoter					
1.	Mr. Arif Esmail Merchant	18,92,496	37.85	18,92,496	[●]
Promoter Group					
2.	Mrs. Fozia Arif Esmail Merchant	5,00,000	10.00	5,00,000	[●]
3.	Mr. Hashim Arif Merchant	10,20,004	20.40	10,20,000	[●]
4.	Mr. Saima Hashim Merchant	5,00,000	10.00	5,00,000	[●]
5.	Mr. Nadeem Ismail Rokadia	1,25,000	2.50	1,25,001	[●]
6.	Mr. Fairoz Rokadia Ismail	1,25,000	2.50	1,25,001	[●]

No.	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
	<b>Total</b>	<b>41,52,500</b>	<b>83.25</b>	<b>41,52,500</b>	<b>[●]</b>

\* Subject to finalisation of basis of Allotment

14. None of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Prospectus.
15. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and any of their relatives have financed the purchase by any other person of securities of our Company during a period of six (06) months immediately preceding the date of filing of this Draft Prospectus.

#### 16. Details of Promoters' contribution and lock-in for three years

- i. Pursuant to Regulations 236 and 238 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by the Promoters shall be locked in for a period of three years as minimum promoters' contribution from the date of Allotment ("Minimum Promoter's Contribution"), and the Promoter's shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

- ii. Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of the Promoter	Date of allotment of the Equity Shares	Nature of transaction	No. of Equity Shares held**	Face Value (Rs)	Issue/ acquisition price per Equity Share (Rs)	No. of Equity Shares locked-in*	Percentage of the post- Issue paid-up capital (%)	Date up to which the Equity shares are subject to lock-in
Mr. Arif Esmail Merchant	[●]	[●]	[●]	10	[●]	[●]	[●]	[●]
<b>Total</b>			[●]			[●]	[●]	

\* Subject to finalisation of Basis of Allotment.

\*\* All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

- iii. Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting [●] % of the Post Issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the public Issue.
- iv. The Promoter's Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as 'promoter' under the SEBI (ICDR) Regulations.
- v. Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 237 of the SEBI ICDR Regulations. In this connection, we confirm the following:
  - a. The Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;

- b. The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- c. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Prospectus pursuant to conversion from a partnership firm; and
- d. The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoter during the period starting from the date of filing of this Draft Prospectus till the date of commencement of lock in period as stated in this Draft Prospectus.

#### **Details of Equity Shares locked- in for one year**

In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, in accordance with Regulations 238(b) and 239 of the SEBI ICDR Regulations.

#### **Lock-in of Equity Shares Allotted to Anchor Investors**

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

#### **Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 241 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

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

Pursuant to Regulation 242 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked- in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- a. With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- b. With respect to the Equity Shares locked-in as Minimum Promoter's Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Issue, which is not applicable in the context of this Issue.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoter which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be transferred to and amongst Promoter / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

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



Further, in terms of Regulation 239 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Issue and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

Our Company, the Promoters, the Directors and the Lead Manager have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

#### Company Confirmations

17. Our Company, our Promoter, our Directors and the Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
18. The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
19. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Prospectus.
20. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
21. There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
22. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Prospectus.
23. Our Company undertakes that there shall be only one (1) denomination for the Equity Shares of our Company, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as specified by SEBI from time to time.
24. Our Company shall ensure that any transactions in Equity Shares by our Promoter and the Promoter Group during the period between the date of filing the Draft Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
25. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus.
26. As on the date of this Draft Prospectus, the LM and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The LM and its affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
27. Our Promoter and the members of our Promoter Group will not participate in the Issue.
28. Following are the details of Equity Shares of our Company held by our Directors and our Key Management Personnel:

No.	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
1	Mr. Arif Esmail Merchant	18,92,496	37.85	18,92,496	[●]
2	Mr. Hashim Arif Merchant	10,20,004	20.40	10,20,004	[●]

No.	Name of the Shareholder	Pre-Issue Equity Share Capital		Post-Issue Equity Share Capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
3	Ms. Valentina Priyanka Ekberth Creado	7,500	0.15	7,500	[●]
	<b>Total</b>	<b>29,20,000</b>	<b>58.40</b>	<b>29,20,000</b>	<b>[●]</b>

\* Subject to finalisation of basis of Allotment

For details, see ‘**Our Management-Shareholding of Directors in our Company**’ on page 122.

29. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
30. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “**Issue Procedure**” beginning on page 228 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
31. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
32. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
33. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
34. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoter to the persons who receive allotments, if any, in this Issue.
35. As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoter or shareholders or any other person any option to receive Equity Shares after the Issue.
36. As on the date of this Draft Prospectus, our Company does not have any active employee stock option plan.
37. There are no Equity Shares against which depository receipts have been issued.

## OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of up to 18,00,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share.

### Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards the following stated objectives ('collectively hereinafter referred to as the 'Objects'):

1. For acquisition of land and construction of warehouse;
2. For purchasing of Transportation Vehicles and accessories;
3. For General Corporate Purposes;
4. For meeting the Issue Expenses.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India. The main objects clause and objects incidental and ancillary to the main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue.

### Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table

Particulars	Amount (Rs in Lakhs)
Gross Proceeds for this Issue	Rs [●]
Less: Issue Expenses	Rs [●]
<b>TOTAL</b>	Rs [●]

### Utilization of Net Proceeds

We intend to utilize the Net Proceeds of the Issue of Rs [●] for financing the objects as set forth below:

Sr. No.	Particulars	Amount (Rs in Lakhs)	% of Net Proceeds
1.	Capital expenditure for acquisition of Land and setting up of Warehouse	Rs 221.41	Rs [●]
2.	Purchase of Transportation Vehicles and Accessories	Rs 463.31	Rs [●]
3.	General Corporate Purposes*	Rs [●]	Rs [●]
	<b>TOTAL</b>	Rs [●]	Rs [●]

\*The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue

For further details, see '*Objects of the Issue*' on page 75 of this Draft Prospectus.

### Proposed Schedule of Implementation and Deployment of Funds

The Net Proceeds are proposed to be deployed by Financial Year [●].

Sr. No.	Particulars	Total estimated cost (Rs in Lakhs)	% of Net Proceeds	Total amount deployed as on the date of this Draft Prospectus (Rs in Lakhs)	Total amount proposed to be deployed from the Net Proceeds (Rs in Lakhs)	Estimated schedule of deployment of Net Proceeds for the Financial Year ending March 31		
						2024 (Rs in Lakhs)	2025 (Rs in Lakhs)	2026 (Rs in Lakhs)
1.	Capital expenditure for acquisition of Land and setting up of Warehouse	Rs 221.41	Rs [●]	--	Rs [●]	--	Rs [●]	Rs [●]
2.	Purchase of Transportation Vehicle and Accessories	Rs. 463.31	Rs [●]	--	Rs [●]	--	Rs [●]	Rs [●]
3.	General Corporate Purposes*	Rs [●]	Rs [●]	--	Rs [●]	--	Rs [●]	Rs [●]
	<b>TOTAL</b>	Rs [●]	Rs [●]	--	Rs [●]	--	Rs [●]	Rs [●]

The fund deployment indicated above is based on current circumstances of our business and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details, see '*Variation in Objects*' on page 81 of this Draft Prospectus, and '*Risk Factors – 26 Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our Company has broad discretion over the use of the Net Proceeds and may use them in ways with which you do not agree and in ways that may not enhance our operating results or the price of our Equity Shares*' on page 36 of this Draft Prospectus.

If the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards any other Object including general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available to fund any such shortfalls.

#### Details of the Objects of the Fresh Issue

The details in relation to objects of the Fresh Issue are set forth herein below:

##### 1. Capital expenditure for acquisition of Land and setting up of Warehouse

We are engaged in the trading of organic and inorganic chemicals, bulk drugs, and, food chemicals to pharmaceutical industry. The traded speciality chemicals and intermediates have a wide application in aluminium, steel, textiles, paper, dairy, paints, dyes & intermediates, soap making, pharma, food and adhesive Industry. Our Company also supplies food preventives and chemicals under its own brand name which is thereafter converted into sales in their own books by the distribution team who ensures safe delivery of bulk supply. To cater to the growing demand of our products from our existing customers and to meet requirements of new customers, we are planning to build warehouse for the purpose of ease of storage and supply of our product.

Our Company intends to set up a warehouse at Palghar in the manner set out below:

##### Land and utilities

For setting up of warehouse, we intend to acquire land at Village: Kondhale, Taluka: Wada, District: Palghar Maharashtra - 421312 on which warehouse will be constructed. The total area of the land is approximately 24,000.00 Sq. ft. (approximate 0.55 acres). Our Board in its meeting dated June 18, 2024 took note that an amount of Rs. 175 Lakhs is proposed to be utilized for acquisition Lands admeasuring approximately 24,000 Sq. ft. to set up warehouse from the Net Proceeds. We

propose to acquire the said lands on ownership basis from Mrs. Fozia Merchant and Mrs. Saima Merchant. We have obtained a Letter of Intent (LOI) to acquire the said lands from Mrs. Fozia Merchant and Mrs. Saima Merchant, the brief details of the said LOI as follows:

<b>Date of LOI</b>	<b>Seller of Land</b>	<b>Address</b>	<b>Area of Property</b>	<b>Total Consideration</b>	<b>Total consideration to be financed from Net Proceeds (Rs in lakhs)</b>
June 01, 2024	Mrs. Fozia Merchant and Mrs. Saima Merchant	Village: Kondhale, Taluka: Wada, District: Palghar Maharashtra - 421312	24,000 sq. ft.	175 Lakhs	175 Lakhs

According to our expansion strategy, we believe this will allow us to function effectively and efficiently while meeting our growing company requirements. The said land is proposed to be acquired from the Net Proceeds from Mrs. Fozia Merchant and Mrs. Saima Merchant who are related to our Promoter and our directors.

#### **Estimated cost**

The total estimated cost for the Factory Shed building is approximately Rs. 46.41 lakhs, as quoted by Buildtech Steel Systems and which is proposed to be funded from the Net Proceeds. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for the proposed project, as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

Our Company proposes to deploy the entire Net Proceeds towards the Objects as per the schedule provided above. In the event that the estimated utilization is not completed as per the aforementioned schedule, due to the reasons stated above, such funds shall be utilised in the next fiscal year, as may be determined by our Company, in accordance with applicable law. Depending upon such factors, we may have to reduce or extend the utilisation period for any of the stated Objects beyond the estimated time period, at the discretion of our management, in accordance with applicable law. Further, such factors could also require us to advance the utilisation before the scheduled deployment as disclosed above towards any particular or all Objects. Subject to compliance with applicable laws,

## **2. Purchase of Transportation Vehicle and Accessories**

For the smooth functioning of the business, the company intends to purchase transportation vehicles and accessories. A detailed breakup of estimated cost towards purchase of vehicles which are proposed to be funded from the net issue proceeds is set forth below:

## Vehicle

(Amount in lakhs)

Sr. No.	Particulars of Vehicle and Accessories	Quantity	Cost per Unit	Total Cost per Unit (Inclusive of Taxes)	Quotation Amount (Rs in Lakhs)	Name of the Supplier
1.	Ashok Leyland: UG 3520LA 5450MM WB Fitted with H Series 200 HP BS6 Diesel Engine 6 Speed Gear Box Factory Built Sleeper Cab	10	35.25	45.57	455.75	Antony Commercial vehicle Private Limited
2.	Tata Model: SIGNA 3525 24ft CAB BL	10	34.26	43.85	438.53	Kamal Motors (Prop. Reliable Automotive Pvt Ltd)

## Accessories

(Amount in lakhs)

Sr. No.	Particulars of Vehicle and Accessories	Quantity	Cost per Unit	Total Cost per Unit (Inclusive of Taxes)	Quotation Amount (Rs in Lakhs)	Name of the Supplier
1.	Container Body for Ashok Leyland U 3520 Chassis and wind Deflector	10	2.35	2.77	27.73	Antony Auto Coach Builders Private Limited
2.	Container Body for Tata Model Signa	10	2.10	2.48	24.78	Siddhivinayak Trailers

## Notes:

- We have considered the above quotations for the budgetary estimate purposes and as on date of this Draft Prospectus, the Company has not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.*
- We have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the vehicles or at the same costs.*
- The quantity of vehicles proposed to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such quantities/ estimates (including but not limited to change of the vendor or addition/ deletion of any quantity of vehicles) at the time of actual placement of the order. Furthermore, if any surplus from the proceeds remains after meeting the total cost of the vehicles for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.*
- The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of the vehicles proposed to be acquired by us at the actual time of purchase, resulting in increase in the cost. Further, cost can be escalated on account of freight expenses and incidental charges. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.*
- The quotations above are inclusive of taxes if any.*
- We are not acquiring any second-hand vehicle.*
- The total useful life of the new vehicles as estimated by our management is around [●] years and the expected age of the may range in between [●]- [●] years and we will have a balance usable life of approximately [●]-[●] years.*

*h. You can refer to the 'Risk Factor – 12. Our Company has not placed orders for transportation vehicles and accessories required by us for which funds are being raised through this Issue. Any delay in placing the orders or supply of these equipment's may result in time and cost overruns and may affect our profitability.' on page 30 of this Draft Prospectus.*

### 3. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the Issue proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, research and development, and the strengthening of our business development and marketing capabilities, meeting exigencies, which our Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any Issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25.00% (Twenty-Five Percent) of the amount raised by our Company through the Issue of Equity Shares.

### 4. To meet Issue expenses

The estimated Issue related expenses include Issue management fee, underwriting and selling commissions, printing and distribution expenses, legal fee, advertisement expenses, Registrar to the Issue's fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] which is [●] % of the Issue Size. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

(Rs. in Lakhs)

Activity	Expenses <sup>(1)</sup>	% of expenses of total Issue expenses <sup>(1)</sup>	% of expenses of gross Issue proceeds <sup>(1)</sup>
Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrar to the Issue and other out of pocket expenses	[●]	[●]	[●]
Fees payable to advertising and marketing expense	[●]	[●]	[●]
Fees Payable to regulators including stock exchange	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Brokerage and Selling Commission <sup>(2)</sup>	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

#### Notes

- Amounts will be finalised at the time of filing the Prospectus and on determination of Issue Price and other details;
- Includes commission/ processing fees to the Designated Intermediaries. Designated Intermediaries would be entitled for a processing fee of [●] % for processing of valid Application forms procured by such Intermediaries. Additionally, the SCSBs will be entitled for a fee of Rs. [●] per application for blocking of fund

### Means of finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the following means:

- Issue of Equity Shares through this Draft Prospectus
- Internal Accruals of the Company

Accordingly, as required under the SEBI (ICDR) Regulations, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Net Proceeds or through existing identifiable internal accruals.

The requirements of the objects detailed above are intended to be funded from the Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance under Regulation 230(1)(e) and 9 (C) of Part A of Schedule VI of SEBI (ICDR) Regulations, through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed public Issue or through existing identifiable internal accruals.



The fund requirement and deployment are 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 light of changes in external circumstances or costs, other financial conditions, business, or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail scheduling, revising, or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

For further details, see '*Variation in Objects*' on page 81 of this Draft Prospectus and '*Risk Factors –32. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised and our Company has broad discretion over the use of the Net Proceeds and may use them in ways with which you do not agree and in ways that may not enhance our operating results or the price of our Equity Shares*' on page 36 of this Draft Prospectus.

#### **Interim use of Net Proceeds**

Our Company, in accordance with the policies established by the Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company undertake to temporarily invest the funds from the Net Proceeds only with one or more scheduled commercial banks included in the second schedule of the RBI Act as may be approved by our Board or IPO Committee.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company or for any investment in equity markets.

#### **Bridge Financing Facilities**

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

#### **Appraising Entity**

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

#### **Monitoring of Utilization of Funds**

In accordance with Regulation 262 of the SEBI ICDR Regulations, since the Net Proceeds do not exceed ₹ 10,000 lakhs, appointment of monitoring agency is not applicable.

#### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution (the 'Notice') shall specify the prescribed details as required under the Companies Act and applicable rules. The Notice shall simultaneously be published in the newspapers, one in English and one in Marathi, being the vernacular language of Mumbai, Maharashtra where the Registered and Corporate Office is situated in accordance with the Companies Act and applicable rules. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree with the proposal to vary the objects, at such price and in such manner as may be prescribed by Regulation 290 and Schedule XX of the SEBI ICDR Regulations.

#### **Other confirmations**

No part of the Net Proceeds will be utilized by our Company as consideration to the Promoters, members of the Promoter Group, the Directors, or Key Managerial Personnel.

Our Company has not entered into or is not planning to enter into any arrangement/ agreements with the Promoters, the Directors, the Key Managerial Personnel in relation to the utilization of the Net Proceeds of the Offer.

## BASIS OF ISSUE PRICE

The Issue price will be determined by our Company, in consultation with the Lead Manager, and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs10.00 each and the Issue Price is [●] times the face value.

Investors should read '*Risk Factors*', '*Our Business*', '*Restated Financial Information*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 26, 103, 140 and 175, respectively, of this Draft Prospectus to have an informed view before making an investment decision.

### Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Issue Price are as follows:

- Quality and focus on customer satisfaction;
- Expertise;
- Satisfactory track record

For further details, see '*Our Business – Our Strengths*' on page 103 of this Draft Prospectus.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see '*Restated Financial Information*' and '*Other Financial Information*' on pages 140 and 169, respectively, of this Draft Prospectus.

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

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

As derived from the Restated Financial Information:

Financial Period	Basic EPS (in Rs.)	Diluted EPS (in Rs.)	Weight
Financial Year 2023	0.81	0.81	3
Financial Year 2022	2.15	2.15	2
Financial Year 2021	32.29	32.29	1
Weighted Average	<b>6.50</b>	<b>6.50</b>	
Up to January 31, 2024 (not annualised)	<b>1.52</b>	<b>1.52</b>	

Notes:

- a. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights*
- b. *Basic Earnings per Equity Share (₹) = Restated profit for the period/year divided by Weighted average number of equity shares outstanding during the period/year, read with note 1 above*
- c. *Diluted Earnings per Equity Share (₹) = Restated profit for the period/year divided by Weighted average number of diluted equity shares outstanding during the period/year, read with note 1 above*
- d. *Earnings per Share calculations are in accordance with the notified Accounting Standard 20 'Earnings per share'. The face value of equity shares of the Company is Rs. 10/-.*
- e. *The figures disclosed above are based on the Restated Financial Statements.*

## 2. Price/Earning ('P/E') ratio in relation to Issue Price of Rs. [●] per Equity Share:

Particulars	P/E
Based on Basic EPS as per the Restated Financial Information for Financial Year 2023	[●]
Based on Diluted EPS as per the Restated Financial Information for Financial Year 2023	[●]

### Industry P/E ratio

Particulars	P/E Ratio
Highest	46.02
Lowest	17.12
Average	31.57

Notes:

- The industry high and low has been considered from the industry peer set provided above. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed above
- P/E Ratio has been computed based on the closing market price of equity shares on BSE on March 31, 2023, divided by the diluted EPS.
- All the financial information for listed industry peers mentioned above is sourced from the annual reports of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

For further details, see '- Comparison of accounting ratios with listed industry peers' on page 85 of this Draft Prospectus.

## 3. Return on Net Worth ('RoNW')

As derived from the Restated Financial Information of our Company:

Particulars	RoNW %	Weight
Financial Year 2023	5.91	3
Financial Year 2022	4.15	2
Financial Year 2021	36.67	1
Weighted Average	<b>10.45</b>	
Up To January 31, 2024 (not annualised)	11.04	

Notes:

- Weighted average = Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. (Return on Net Worth x Weight) for each year/Total of weights.
- Return on Net Worth (%) = Restated profit for the year divided by Net worth at the end of the period/year.
- 'Net worth': Equity Share capital and other equity less capital reserves.

## 4. Net Asset Value per Equity Share of face value of Rs. 10 each

Net Asset Value per Equity Share	(Rs.)
Financial Year 2023	12.27
Financial Year 2022	11.54
Financial Year 2021	88.05
As on January 31, 2024	13.79
NAV after Issue	[●]
Issue Price	[●]

Notes:

- Net Asset Value per Equity Share = Net worth derived from Restated Financial Statements as at the end of the period/ year divided by number of equity shares outstanding as at the end of period /year as per Restated Financial Statements.
- Issue Price per Equity Share will be stated at the time of filing of prospectus.

## 5. Comparison of accounting ratios with listed industry peers

We believe following is our peer group which has been determined on the basis of listed public companies comparable in the similar line of segments in which our Company operates and whose business segment in part or full may be comparable with that of our business, however, the same may not be exactly comparable in size or business portfolio on a whole with that of our business.

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

Sr. No.	Name of the company	Face Value (Rs. per Share)	Revenue FY 23 (Rs. in Lakhs)	EBITDA FY 23 (Rs. in Lakhs)	OPM	EPS (Rs.) (1)	Price as on 14/06/2024	P/E Ratio (2)	RoNW (%) (3)	Book value per share (Rs.) (4)
1	Citichem India Limited	10	2,094	58	2.79%	0.81	[●]	[●]	5.91	12.27
<b>Listed Peer</b>										
2	Shankar Lal Rampal Dye-Chem Ltd	10	32345	2199	6.80%	2.49	109.80	44.10	17.39	14.38
3	Vinyl Chemicals (I) Ltd	1	101251	4671	4.61%	19.44	414.60	21.33	31.86	56.50

\*Financial information for our Company is derived from Restated Financial Statements of our Company for the year ended March 31, 2023.

Source: All the financial information for listed industry peer mentioned above is sourced from the annual report of the relevant companies for Fiscal 2023, as available on the websites of the Stock Exchanges.

Notes for peer group:

- P/E Ratio has been computed based on the closing market price of equity shares on BSE on June 14, 2024 divided by the Basic EPS as at March 31, 2023.
- Return on Net Worth (%) = Profit for the year ended March 31, 2023 divided by Total Equity of the Company as on March 31, 2023.
- NAV is computed as the Total Equity of the Company as on March 31, 2023 divided by the outstanding number of equity shares as on March 31, 2023.

### Key Performance Indicators and Operational Performance Indicators:

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial information. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated March 25, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Prospectus. Further, the KPIs herein have been certified by M/s. Mittal & Company, Chartered Accountants, by their certificate dated March 26, 2024.

The KPIs of our Company have been disclosed in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 103 and 175, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning on page 5.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analyzing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below:  
(Rs. in lakhs except percentages and ratios)

Key Financial Performance	Period Ended January 31, 2024*	Year Ended March 31, 2023	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations <sup>(1)</sup>	1,498.25	2,094.07	8,521.64	18,016.73
Total Revenue	1,498.25	2,094.07	8,528.00	18,027.79
EBITDA <sup>(2)</sup>	120.18	58.40	44.71	31.99
EBITDA Margin (%) <sup>(3)</sup>	8.02%	2.79%	0.52%	0.18%
PAT	76.08	36.26	23.94	21.96
PAT Margin (%) <sup>(4)</sup>	5.08%	1.73%	0.28%	0.12%
Trade Receivables days <sup>(5)</sup>	751.23	595.85	198.74	68.05
Inventory days <sup>(6)</sup>	1,051.99	857.36	180.34	70.95
Trade Payable days <sup>(7)</sup>	1,733.74	1,378.09	367.75	148.47
Return on equity (%) <sup>(8)</sup>	11.04	5.91	4.15	36.67
Return on capital employed (%) <sup>(9)</sup>	15.05	7.89	5.97	48.98
Debt-Equity Ratio (times) <sup>(10)</sup>	0.16	0.18	0.19	-
Current Ratio (times) <sup>(11)</sup>	1.13	1.10	1.08	1.01

\*Not annualised for the three months period ended January 31, 2024

#As certified by the Peer Review Auditor vide their certificate dated December 27, 2023.

#### Explanation for the Key Performance Indicators

1. Revenue from operation means revenue from sale of the products
2. EBITDA is calculated as Profit before tax + Depreciation + Finance Costs
3. EBITDA Margin is calculated as EBITDA divided by Total Revenue
4. PAT Margin is calculated as PAT for the period/year divided by Total Revenue
5. Trade receivable days is calculated as average trade receivables divided by Total Revenue multiplied by 365 for fiscal years
6. Inventory days is calculated as average inventory divided by cost of goods sold multiplied by 365 for fiscal years
7. Trade payable days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress
8. Return on Equity is calculated by comparing the proportion of net income against the amount of shareholder equity
9. Return on Capital Employed is calculated as follows: Profit for the period/ year plus finance cost plus tax expenses (EBIT) divided by Total Assets-Current Liabilities
10. Debt to Equity ratio is calculated as Total Debt divided by equity
11. Current Ratio is calculated by dividing Current assets to Current Liabilities

#### Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business
PAT	Profit after tax provides information regarding the overall profitability of the business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Debt to Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage
Current Ratio	It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables

## Comparison of the Key Performance Indicators with our listed peers:

(Rs. in lakhs except percentages and ratios) (As on March 31, 2023)

Key Financial Performance	Shankar Lal Rampal Dye-Chem Limited	Vinyl Chemicals (I) Limited
Revenue from Operations <sup>(1)</sup>	32,345	1,01,251
Total Revenue	32,393	1,01,477
EBITDA <sup>(2)</sup>	2,199	4,671
EBITDA Margin (%) <sup>(3)</sup>	6.80%	4.61%
PAT	1,591	3,487
PAT Margin (%) <sup>(4)</sup>	4.92%	3.44%
Trade Receivables days <sup>(5)</sup>	74.93	11.26
Inventory days <sup>(6)</sup>	13.11	32.68
Trade Payable days <sup>(7)</sup>	2.01	21.75
Return on equity (%) <sup>(8)</sup>	17.23%	30.77%
Return on capital employed (%) <sup>(9)</sup>	20.70%	43.36%
Debt-Equity Ratio (times) <sup>(10)</sup>	0.17	-
Current Ratio (times) <sup>(11)</sup>	8,983.04	2.15

Source: Annual Reports of the company / [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

### Explanation for the Key Performance Indicators

1. Revenue from operation means revenue from sale of the products
2. EBITDA is calculated as Profit before tax + Depreciation + Finance Costs
3. EBITDA Margin is calculated as EBITDA divided by Total Revenue
4. PAT Margin is calculated as PAT for the period/year divided by Total Revenue
5. Trade receivable days is calculated as average trade receivables divided by Total Revenue multiplied by 365 for fiscal years
6. Inventory days is calculated as average inventory divided by cost of goods sold multiplied by 365 for fiscal years.
7. Trade payable days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress
8. Return on Equity is calculated by comparing the proportion of net income against the amount of shareholder equity
9. Return on Capital Employed is calculated as follows: Profit for the period/ year plus finance cost plus tax expenses (EBIT) divided by Total Assets-Current Liabilities
10. Debt to Equity ratio is calculated as Total Debt divided by equity
11. Current Ratio is calculated by dividing Current assets to Current Liabilities

### Operational KPIs of the Company:

(Rs. in Lakhs)

Particulars	Period Ended January 31, 2024		Year Ended 31st March, 2023		Year Ended 31st March, 2022		Year Ended 31st March, 2021	
	Amount	Percentage%	Amount	Percentage%	Amount	Percentage%	Amount	Percentage%
Top five customers	1,399.98	93.44	1,618.94	77.31	6,746.32	79.17	15,088.01	83.74
Top ten customers	1,498.25	100.00	1,992.95	95.17	7,805.22	91.59	16,543.72	91.82

### Explanation for KPI metrics

KPI	Explanations
Contribution to revenue from operations of top 5 / 10 customers	This metric enables us to track the contribution of our key customers to our revenue and also assess any concentration risks.



## Comparison of Operational KPIs of Our Company and Our Listed Peer:

The operational KPIs of the listed peer are not publicly available.

### 6. Weighted Average Cost of Acquisition:

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

There has been no issuance of Equity Shares, during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of 30 days.

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

Other than as mentioned below, there have been no secondary sale / acquisitions of Equity Shares or convertible securities, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of Allotment / Transfer	Nature of acquisition (Allotment/ Acquired/ transfer)	Number of Equity Shares	Face Value per Equity Share (in Rs.)	Issue Price /Acquisition Price / Transfer price per Equity Share (in Rs.)	Nature of Consideration	Percentage of Pre-Issue Equity Share Capital (%)
-	-	-	-	-	-	-

#### c. Price per share based on the last five primary or secondary transactions;

Since there are no transactions to report to under (a) or (b) above, therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s), not older than 3 years prior to the date of this Draft Prospectus, irrespective of the size of transactions is not required, are not applicable.

#### d. Weighted average cost of acquisition and offer price:

Types of transactions	Weighted average cost of acquisition (Rs. per Equity Shares)	Offer Price (i.e. Rs. [●])
Weighted average cost of acquisition of primary / new issue as per paragraph (a) above.	N.A.	N.A.
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph (b) above.	Nil	N.A.

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

[●]\*

### 7. The Issue price is [●] times of the face value of the Equity Shares

The Issue Price of Rs [●] has been determined by our Company in consultation with the Lead Manager, on and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above-mentioned information along with '*Risk Factors*', '*Our Business*', '*Restated Financial Information*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 26, 103, 140, and 175, respectively, of this Draft Prospectus to have a more informed view. The trading price of

Equity Shares could decline due to factors mentioned in '***Risk Factors***' beginning on page 26 of this Draft Prospectus and you may lose all or part of your investments.

## STATEMENT OF SPECIAL TAX BENEFITS

To,  
**The Board of Directors**  
**Citichem India Limited,**  
7, Floor-1, Plot-96, Dharam Jyoti,  
Kazi Sayed Street, Khand Bazar,  
Masjid Station, Mandvi, Mumbai – 400003

Dear Sir,

**Subject: Statement of possible tax benefits ('the Statement') available to Citichem India Limited ('the Company') and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended ('the Regulation')**

We hereby confirm that the enclosed Annexure 1 and 2 (together "the Annexures"), prepared by the Company, provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), as amended by the Finance Act 2023 circular and notifications issued from time to time, i.e., applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (together, the "Tax Laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the 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.
2. We do not express any opinion or provide any assurance as to whether:
  - i) the Company or its shareholders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the 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.
4. 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.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft 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 GGPS and Associates**  
**Chartered Accountants**  
**Firm Registration Number: 032345N**

**Gaurav Gupta**  
**Partner**  
**Membership Number: 524688**  
**UDIN – 24524688BKAQLI4314**  
**Place: Delhi**  
**Date: 12 June 2024**

## **ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS**

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

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

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

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

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

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

#### **Note:**

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

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

## **ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS**

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

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

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

The Company is not entitled to any special tax benefits under the GST Act.

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

The Shareholders of the Company are not entitled to any special tax benefits under the GST Act.

#### **Note:**

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

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

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information. Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the equity shares. Before deciding to invest in the equity shares, prospective investors should read this Draft Prospectus, including the information in ‘*our business*’ and ‘*financial information as Restated*’ beginning on pages 103 and 140, respectively of this Draft Prospectus. An investment in the equity shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the equity shares, see ‘*Risk Factors*’ beginning on page 26 of this Draft Prospectus.

### Global Economic Overview

#### Introduction

Global activity is forecast to expand 4 percent in 2021, below previous expectations amid a sharp resurgence of new COVID-19 cases. Global growth is expected to strengthen over the forecast horizon as pandemic-related disruptions fade and as vaccination continues. In emerging market and developing economies (EMDEs), the recovery will be uneven, with a strong rebound in China and softer-than-expected growth across most other economies as the pandemic’s lingering effects continue to weigh on consumption and investment. The recovery could be even weaker than envisioned if downside risks materialize, which could exacerbate the losses in per capita income and increase in poverty. Policy makers can raise the likelihood of better outcomes while warding off worse ones through effective pandemic control and structural reforms that boost both productivity and environmental sustainability.

Global activity: Slower-than-expected recovery amid sharp resurgence of virus. Following a collapse last year caused by the COVID-19 pandemic, global activity is forecast to expand 4 percent in 2021. The global recovery, however, has been dampened in the near term by a resurgence of new COVID-19 cases, and the majority of country forecasts have been downgraded in the last six months. Global economic activity is expected to firm over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination. The materialization of a number of downside risks—including a worsening of the virus, delays in vaccine procurement and distribution, and financial stress amid high debt levels—could derail the projected global recovery. Even if the recovery proceeds as envisioned in the baseline scenario, global output is expected to remain 4.4 percent below pre-pandemic projections by 2022.

EMDE growth: Uneven near-term recovery, subdued outlook. Although aggregate EMDE growth is envisioned to firm to 5 percent in 2021 and to moderate to 4.2 percent in 2022, the improvement largely reflects China’s expected rebound. Absent China, the recovery across EMDEs is anticipated to be far more muted, averaging 3.5 percent in 2021-22, as the pandemic’s lingering effects continue to weigh on consumption and investment. The pandemic has also caused per capita incomes to fall in more than 90 percent of EMDEs, tipping millions back into poverty. For more than a quarter of EMDEs, the pandemic is expected to erase at least 10 years of per capita income gains—and, in about two-thirds of EMDEs, per capita incomes are projected to be lower in 2022 than they were in 2019. The pandemic has impeded future prospects for poverty reduction by adversely affecting longer-term productivity growth—the deterioration in confidence has dampened investment, and the loss in learning-adjusted school years and prolonged spells of unemployment have eroded earlier gains in human capital.

(Source: <https://www.worldbank.org/en/publication/global-economic-prospects>)



### Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

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

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

### Market size

Real GDP or GDP at Constant (2011-12) Prices in the year 2023-24 is estimated at Rs. 172.90 lakh crores (US\$ 2.07 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 160.71 lakh crores (US\$ 1.92 trillion). The growth in real GDP during 2023-24 is estimated at 7.6% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) narrowed to 1.2% of GDP in the October-December quarter. The CAD stood at US\$ 10.5 billion for the third quarter of 2023-24 compared to US\$ 11.4 billion or 1.3% of GDP in the preceding quarter. This was largely due to higher service exports.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

### Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place

to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of April 12, 2024, India's foreign exchange reserves stood at US\$ 643.162 billion.
- In 2023, India saw a total of US\$ 49.8 billion in private equity-venture capital (PE-VC) sector investments.
- Merchandise exports in March 2024 stood at US\$ 41.68 billion, with total merchandise exports of US\$ 437.06 billion during the period of April 2023 to March 2024.
- In March 2024, the gross Goods and Services Tax (GST) stood at second highest monthly revenue collection at Rs. 1.78 lakh crore (US\$ 21.35 billion), of which CGST is Rs. 34,532 crores (US\$ 4.14 billion), SGST is Rs. 43,746 crores (US\$ 5.25 billion).
- Between April 2000–December 2023, cumulative FDI equity inflows to India stood at US\$ 971.52 billion.
- In February 2024, the overall IIP (Index of Industrial Production) stood at 147.2. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 139.6, 144.5 and 187.1, respectively, in February 2024.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 8.06 billion) in India during January-April 2024.
- The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

## Government Initiatives

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

- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crores (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crores (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crores (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).

- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crores (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crores (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crores (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crores (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crores (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality

coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.

- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crores (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crores (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.

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

## Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crores (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crores (US\$ 133.27 billion).

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

**Note:** Conversion rate used for January 2024 is Rs.1 = US\$ 0.012

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

## Overview of Chemical Industry 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. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP. India's chemical sector, which was estimated to be worth US\$ 220 billion in 2022, is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.

Globally, India is the fourth-largest producer of agrochemicals after the United States, Japan and China. India accounts for 16-18% of the world's production of dyestuffs and dye intermediates. India's agrochemicals export was estimated to be at US\$ 3.12 billion from April 2023 to December 2023. Indian colourants industry has emerged as a key player with a global market share of ~15%. The country's chemicals industry is de-licensed, except for a few hazardous chemicals. India has traditionally been a world leader in generics and biosimilars and a major Indian vaccine manufacturer, contributing more than 50% of the global vaccine supply. India holds a strong position in exports and imports of chemicals at a global level and ranks 14th in exports and 8th in imports at the global level (excluding pharmaceuticals). From April 2023 to December 2023, India's dye exports (Dyes and Dye Intermediates) totalled US\$ 1.69 billion.

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

## Market Size

India's chemical sector, which was estimated to be worth US\$ 220 billion in 2022, is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.

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

An investment of Rs. 8 lakh crore (US\$ 107.38 billion) is estimated in the Indian chemicals and petrochemicals sector by 2025. Specialty chemicals account for 20% of the global chemicals industry's US\$ 4 trillion, with India's market expected to increase at a CAGR of 12% to US\$ 64 billion by 2025. This gain would be driven by a healthy demand growth (CAGR of 10-20%) in the export/end-user industries.

The Department of Chemicals & Petrochemicals intends to bring PLI in the chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines. The Indian chemical industry is expected to further grow with a CAGR of 11-12% by 2027, increasing India's share in the global specialty chemicals market to 4% from 3%. A shift in the global supply chain brought on by the China+1 strategy and a resurgence in domestic end-user demand was expected to fuel significant revenue growth of 18–20% in 2022 and 14–15% in 2023.

## Investments And Recent Developments

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

- From April 2023 to December 2023, exports of organic chemicals stood at US\$ 5.49 billion & inorganic stood at US\$ 1.50 billion.
- Imports of organic chemicals were US\$ 11.21 billion and inorganic chemicals US\$ 5.01 billion from April 2023 to December 2023.
- From April 2023 to December 2023, exports of castor oil, essential oil, and cosmetics and toiletries stood at US\$ 2.92 billion.
- Major chemical production reached 899.84 million metric tonnes (MMT) in October 2023, while petrochemical production reached 1,702.13 MMT. In October 2023, production levels of various chemicals were as follows: Soda Ash: 226.87 MMT, Caustic Soda: 285.46 MMT, Liquid Chlorine: 207.88 MMT, Formaldehyde: 20.66 MMT, and Pesticides and Insecticides: 21.14 MMT.
- In August 2023, the Prime Minister announced a subsidy of Rs. 10 lakh crore (US\$ 120.93 billion) for providing cheaper Urea to farmers.
- In July 2023, Global Chemicals and Petrochemicals Manufacturing Hubs in India (GCPMH 2023) was organized in Delhi, India.
- In June 2023, Himadri Speciality Chemical invested Rs. 58 crore (US\$ 7.01 million) in Sicona Battery Technologies Pty Ltd, (Sydney) for a 12.79% stake.
- In June 2023, Mumbai-based UPL Ltd, will hive off its speciality chemicals business on a slump sale basis to a wholly-owned arm of UPL Speciality Chemicals Ltd for Rs. 3,572 crore (US\$ 431.96 million).
- In June 2023, Reliance plans to invest Rs. 75,000 crore (US\$ 9.06 billion) over 5 years to expand its oil to chemical business.
- Tata Chemicals intended to invest about Rs. 8,000 crore (US\$ 967.45 million) over the next 2-3 years as capex on an expansion spree that includes scaling businesses sustainably.
- In May 2023, Reliance Industries plans to set up a 10 GW solar project in Andhra Pradesh.
- In March 2023, Chennai awaits more bio-CNG plants to enable a switch to clean energy.
- On February 15th, 2023, the Indian Speciality Chemical Manufacturer' Association (ISCMA) signed an MoU with USIIC to promote trade in speciality chemicals.
- In February 2023, the company is setting up a new formaldehyde plant with 300 TPD capacity at the existing manufacturing facility at GIDC, Ankleshwar in Gujarat.
- In January 2023, Tata Chemicals Europe signed a pact with Essar-backed Vertex for the sale of low-carbon hydrogen.
- In December 2022, GMM Pfaudler Ltd entered into an agreement on December 8, 2022, to acquire Mixel France SAS and its wholly owned subsidiary Mixel Agitator Co. Ltd. for US\$ 7.63 million.
- In September 2022, the Royal Society of Chemistry (RSC) and CSIR work together to support chemistry in schools across India.

- In September 2022, Spanish perfume maker Puig acquired a controlling stake in Kama Ayurveda Pvt. owning 85% of the company.
- In May 2022, a global investment firm, PAG acquired Optimus Group along with consortium partners CX Partners and Samara Capital.
- In April 2022, Dorf Ketal, a manufacturer of research-based specialised chemicals acquired Khyati Chemicals for Rs. 300-400 crore (US\$ 36.28 - 48.48 million).
- Advent International acquired a majority position in Avra Labs in January 2022, uniting it with two other businesses it had previously acquired, RA Chem Pharma and ZCL Chemicals.
- In July 2022, NTPC Renewable Energy Limited (NTPC REL) and Gujarat Alkalies and Chemicals Limited (GACL) signed an MoU to establish India's first commercial-scale Green Ammonia and Green Methanol plants.
- In November 2021, Indian Oil Corporation (IOCL) announced plans to invest Rs. 3,681 crore (US\$ 495.22 million) to set up India's first mega-scale maleic anhydride unit for manufacturing high-value speciality 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 a 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 a focus on the petrochemicals sector, and is eager to attract investors to its newly launched Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) near the upcoming crude oil refinery in Pachpadra village (in Barmer district, Rajasthan).

## Government Initiatives

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

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

- Under the Interim Budget 2024-25 the government allocated Rs. 192.21 crore (US\$ 23.13 million) to the Department of Chemicals and Petrochemicals.
- Government to open 25,000 Jan Aushadhi Kendras to make medicines available at affordable prices.
- In April 2023, the Cabinet approved the National Medical Devices Policy, 2023.
- The Department of Chemicals & Petrochemicals intend to bring PLI in the chemical & petrochemical sector and will redraft the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines.
- PLI schemes have been introduced to promote Bulk Drug Parks, with a budget of Rs. 1,629 crore (US\$ 213.81 million).
- The Government of India is considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports.
- A 2034 vision for the chemicals and petrochemicals sector has been set up by the government to explore opportunities to improve domestic production, reduce imports and attract investments in the sector. The government plans to implement a production-link incentive system with 10-20% output incentives for the agrochemical sector; to create an end-to-end manufacturing ecosystem through the growth of clusters.
- In October 2020, the government urged players in the agrochemicals industry to come out with new molecules of global standards for the farmers' benefit, while CropLife India, the industry body, pitched for stable policies and regulatory regimes to boost growth in the sector.
- 100% FDI is allowed under the automatic route in the chemicals sector with few exceptions that include hazardous chemicals. FDI inflows in the chemicals sector (other than fertilisers) reached US\$ 21.48 billion between April 2000-June 2023.



- The government has proposed several incentives for setting up a sourcing or manufacturing platform within an Indian SEZ:
  - Effective April 1, 2020, 100% Income Tax exemption on export income for SEZ units for the first five years, 50% for the next five years thereafter and 50% of the ploughed back export profit for the next five years.
  - Single window clearance for central and state-level approvals.
  - Duty-free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- In December 2020, the PCPIR policy is being completely redesigned. Under the new PCPIR Policy 2020-35, a combined investment of Rs. 10 lakh crore (US\$ 142 billion) is targeted by 2025, Rs. 15 lakh crore (US\$ 213 billion) by 2030 and Rs. 20 lakh crore (US\$ 284 billion) by 2035 in all PCPIRs across the country. The four PCPIRs are expected to generate employment for ~33.83 lakh people. ~3.50 lakh persons have been employed in direct and indirect activities related to PCPIRs by the end of 2020. The Gujarat Infrastructure Development Corporation (GIDC) has made an investment of around US\$ 2.09 billion (Rs. 17,317 crore) for infrastructure development in the PCPIR.

## Road Ahead

Despite the pandemic situation, the Indian chemical industry has numerous opportunities considering the supply chain disruption in China and the trade conflict between 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 the 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 the domestic chemical industry, future investments should not only focus on the 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: The conversion rate used for February 2024 is Rs. 1 = US\$ 0.012*

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

## OUR BUSINESS

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the section titled 'Risk Factors', beginning on page no.26 of this Draft Prospectus.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Restated Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no.26, 140 and 175 respectively, of this Draft Prospectus.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Draft Prospectus, all references to 'we', 'us', 'our', and 'our Company' are to Citichem India Limited as the case may be.*

### Background

Our Company was originally incorporated as 'Citichem Alkalies (Bombay) Private Limited' on March 18, 1992, under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai, by our promoter Mr. Arif Merchant and his family members. Thereafter, Our Company was converted into a public company pursuant to a special resolution passed by our shareholders at the EGM held on December 12, 2016, and consequently the word private was deleted and the name was changed to 'Citichem Alkalies (Bombay) Limited' vide fresh certificate of incorporation dated January 15, 2017, issued by Registrar of Companies, Mumbai. Subsequently the name of the company was changed from Citichem Alkalies (Bombay) Limited to Citichem India Limited under the Companies Act, 1956 pursuant to a special resolution passed by our shareholders at the EOGM held on 24/3/1999 and vide certificate of incorporation dated December 17, 2016, issued by the Registrar of Companies, Mumbai. The CIN of the Company is **U24100MH1992PLC065975**. For details of the changes in our name and registered office, please refer to the chapter titled '*History and Certain Corporate Matters*' beginning on page 119 of this Draft Prospectus.

### Our business

We are mainly engaged in the buying, procuring, and supplying, of organic and inorganic chemicals, bulk drugs, and, food chemicals to pharmaceutical industry. The traded speciality chemicals and intermediates have a wide application in aluminium, steel, textiles, paper, dairy, paints, dyes & intermediates, soap making, pharma, food and adhesive Industry. Our Company also supplies food preventives and chemicals under its own brand name which is thereafter converted into sales in their own books by the distribution team who ensures safe delivery of bulk supply. The said works are primarily sourced through our leased Registered Office located at 7, Floor 1, Plot No 96, Dhram Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai - 400003, Maharashtra, India.

With the combined experience of our Promoters for over 25 years with their expertise in sourcing, negotiating, procuring, and supplying of organic, and inorganic chemicals to the pharmaceutical industry, and with the existing long-standing clientele, our Company aims to further expand, and diversify their procurement sources and achieve growth by multiplying the supply chain of the chemicals to the said industry. Our Promoters have a clear vision about the strong growth prospects with a view of the expanding their market size in India year on year basis.

### Our Present Business

Management has structured the business verticals in three divisions as profit centres as follows

Specialty Chemicals, Intermediates & API	<ul style="list-style-type: none"> <li>• Indenting, sourcing, make to order outsource &amp; Supply of Specialty chemical, bulk drugs and API for domestic and international clients in Pharma, Paint &amp; food industry</li> </ul>
Food Chemicals	<ul style="list-style-type: none"> <li>• Repackaging, Retail Distribution and Marketing of Food chemicals</li> </ul>
Laboratory Chemicals	<ul style="list-style-type: none"> <li>• Provide one stop solution for all kinds of Laboratory Chemicals</li> </ul>

### Overview of Business Verticals & Products

#### 1) Specialty Chemicals, Intermediates & Active Pharmaceuticals Ingredients (API)

Our company has developed the team and network for sourcing, indenting, make to order facility with suppliers to supply the bulk Chemicals, specialty chemical & API.

We focus in products suitable for and have wide applications in

- Textile & Garments.
- Pharmaceuticals, Finished Formulations, Key Starting Materials for API.
- Bulk Drugs and Intermediates.
- Paints, Coatings.
- Food, Fragrance & Perfumes
- Pesticides and Agro Chemicals

**List of few products we deal in API Specialty Chemical and Bulk Chemicals as follows:**

#### **Organic, Inorganic & Specialty**

- Caustic Soda Flakes
- Soda ash light
- Caustic potash flakes
- Hydrogen Peroxide

### Our Competitive Strengths

#### *Experienced Promoters and management team*

Our Promoter Mr. Arif Merchant has over 25 years for sourcing and supply of organic, inorganic, chemicals. Under his leadership and experience, our Company has seen a significant growth in the overall business. Further, Mr. Hasim Merchant, son of our Promoter and our Director has been carrying on the family tradition of running this business over the past 10 years and has gained ample of experience of dealing in this field of specialty chemicals.

We believe that our management team's experience and their understanding of the industry, regulatory affairs, sales, marketing and finance will enable us to continue to take advantage of both current and future market opportunities within India.

For further details of our Promoter's experience and background, please refer the chapter titled '*Our Promoter and Promoter Group*' on page 134 of this Draft Prospectus.

### ***Scalable Business Model***

We believe that we have a scalable business model as our business model is customer centric and order driven, and requires optimum utilization of our existing resources, assuring quality supply and achieving consequent economies of scale. The business scale generation is basically due to development of new markets and products in the domestic markets by exploring customer needs, marketing expertise and by consistent product quality.

### ***Focus on quality and innovation***

We believe our strength and success factor has been our constant focus on quality and innovation. To keep sailing unit, we stress on, and we constantly strive to deal in only quality products procured from credible suppliers. As part of our quality management practice, we only deliver the products which have been quality certified.

### ***Location Advantage***

Reducing cost of trading is something which our company has been focusing on since its inception. Procuring material at a competitive price effect our financial position quite substantially. We deal in various kinds of chemical materials. As a cost-effective measure, we collect the chemicals from various places and verify its quality assurance, and get it delivered to our clientele without any delay. Hence reducing the cost of transportation substantially without compromising on the quality of the material procured. It also ensures us a continuous supply of materials.

### ***Cordial Relationships with our Suppliers***

We have a cordial relationship with our suppliers for supply of specialty chemicals, which we believe provides us with the competitive advantage of effective and timely sourcing. We also believe effective sourcing ensures timely delivery of our products to our customers, thereby enhancing the value provided to our customers.

### ***Cordial relations with Customers***

Our Company generates most of its revenue from domestic operations; it has trusted buyers who give repeated orders at frequent intervals. The repetition of orders is basically owing to the quality of the product we provide and also the healthy relationship we maintain. Our promoter tries to understand their needs, concerns and address them personally. We understand the dye and Chemical industry is highly competitive and maintaining healthy relationship with them will help us to be in the competition. The easy access to the promoters by the client and immediate solution of their problems by the Company develop cordial relations with customers. The customer-centric approach of the promoters is one of the key factors for the development of the business of the Company.

### ***Dedicated after-sales network***

We strive to ensure that the after-sales services provided to our customers across segments, through a dedicated team of service personnel to cater to the requirements of our customers. We also maintain an in-house team of sales and marketing personnel who continuously engage with various buyers to understand their need of the type, quantity, timing of the chemicals, and plan the future delivery logistics.

## **Business Strategy**

Our principal strategies and initiatives to achieve these objectives are set out below:

### ***Increase Market Presence***

Our vision is to grow in existing and new markets by ensuring supply of quality products. We intend to strengthen our position in India and further expand our operations internationally in regulated and semi-regulated markets in order to achieve long-term sustainable growth, increase brand value, achieve operational excellence, strengthening existing services, customer satisfaction, innovation and marketing etc.

### ***Focus on increasing our domestic sales***

Our company has focus in direct supply of Specialty Chemicals, bulk drugs and intermediates Products. With our long-standing operations and quality products, we have built a strong relationship with our customers for Specialty Chemicals. However, our growth strategy will vary depending on applicable regulatory norms.

### ***Increasing Operational efficiency***

Our growth will depend upon the improvement of the operational efficiencies. The improvement of operational efficiency will enhance the profitability of the Company. We intend on implementing various measures to improve our operational efficiencies, including undertaking measures to reduce our consumption of disposable items and avoid wastage. We intend to maximize our operational efficiency by achieving greater integration and by implementing a stronger supply chain management.

### ***Increase by targeting unexplored markets***

As part of our growth strategy, we intend to target regulated markets as well as enhance our presence in existing geographies. We will continue to evaluate additional markets and product opportunities, including potential acquisitions and relationships which we believe will be beneficial to increase our presence in Domestic Markets.

### ***Expand our scope by adding more products***

We are mainly engaged in buying and supply of Speciality Chemicals, Intermediate, food chemical, preservatives & active Ingredients. With our current and proposed products, we intend to increase our product range further and thus cater to more specific segments and enhance our reach to diversified customers. Our Company believes that expanding and launching our product range will enable us to utilize our capacities, manpower and other resources better. The marketing of the new products will be aided by our existing customer base, long standing trade relations and overall goodwill in the chemical industry.

### ***Continue to strive for cost efficiency***

We aim to continue to maintain our focus on cost management, including venturing into agreements with carrying and forwarding agents, for export planning to deliver growth as well as to achieve economies of scale. We will continue to seek to manage our supply chain costs through optimal inventory levels, economic orders, and other measures. Economies of scale will also enable us to continuously improve our operational efficiencies.

### ***Scale up branding, promotional, and digital activities***

We seek to continue to enhance brand awareness and customer loyalty through our marketing efforts vide increasing our digital presence and engagements. We are planning to set-up distribution networks across both online platform and offline vide warehouses, tie-ups with small scale distributors, etc. Our Company is also planning to set-up its in-house database for tracking, updating, and upgrading the information with respect to the tenders procured by the Company, which we believe would be beneficial for our marketing activities.

### ***Improving operational efficiencies***

Our Company aims to continue to improve ongoing operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous business process review and timely corrective measures in case of diversion and technology up gradation with proper analytics base. As a result of these measures, our company will be able to increase its market share and profitability.

### ***Asset-light model***

Our Company is planning to hire warehouse on rental basis, for ensuring safely, smooth, and timely delivery of Specialty Chemicals, Intermediate, food chemical, preservatives & active Ingredients. Due to adoption of Asset-light, our Company can focus its time and resources on R & D and forming strategic alliances for greater synergies, by asset sharing, and outsourcing non-critical functions, which we believe will ultimately scale up the revenue and profits of our Company.

## **SWOT ANALYSIS**

<b>Strength</b>	<b>Weakness</b>
More than two decades experience of the Promoter in the line of activity Relation with customer Location Advantage	High Working Capital Requirement Lack of knowledge of Employees Family business Heavy dependence on the suppliers

<b>Opportunity</b> Develop new Composition of Products. Operational efficiency	<b>Threats</b> Tough competition Low margin business
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## OUR TRADING PROCESS

The trading of Organic Inorganic & Specialty chemicals requires the following steps:

- Understanding Clientele Requirement** – On understanding the clientele need, specifications, and requirements, of Speciality Chemicals, Intermediate, food chemical, preservatives & active Ingredients, we connect with our sourced quality supplier agents in India and brief them with our clientele requirements. On the basis of the availability of the said chemicals, confirmations of the quality assurance, our Company then places an order with the supplier of procuring of those products.
- Product procurement** – To achieve this, we plan and forecast our procurement and accordingly the order for products is placed. Further, our management team ensures that the chemicals we procure are meeting the quality standards. Once the chemicals are procured from suppliers, it is stored in the warehousing facility having adequate storage capacity.
- Delivery** – The procured chemicals, are thereafter conforming to the safety standards, handled with due caution and care and are supplied to the buyer. The buyer thereafter confirms to the consignment order and takes possession of the said chemicals for its use.
- After-Sale Service** – we assist on a need-basis to our manufacturing client for the purpose of un-packing or using the said chemicals in the manufacturing process.

## Human Resource

As of March 31, 2023, we have 9 whole-time employees. The following table provides information about our full-time employees:

Sr. No.	Category	No. of Employees
1	Director	2
2	Sales & Marketing	2
3	Purchase Department	2
4	Administration	1
5	Chief Financial Officer	1
6	Company Secretary	1
	<b>Total</b>	<b>9</b>

## Marketing

We have establishment in the market more than 30 years and over the years developed excellent relationship with our clients and many industry players in Maharashtra which would enable the company to tap the market.

We have team of dedicated Marketing Staff, who understands their requirements and explain the nature of our products. On account of that, the products of the Company sale easily in the Market. The team is also verifying the reviews and understand the acceptance of our product in hand of our customers.

Our Company has always focused on meeting the requirement of our clients and providing them maximum support in terms of timely delivery. Our success lies in the strength of our relationship with our customers and suppliers who have been associated with our promoters for a long period.

We plan our sales strategically well in advance. We are continuously involved in the market survey and closely monitor the industry and other economic factors which influence our sales. We maintain impending relationship with our customers which enable us to forecast the demand of the material. Our management team is continually involved in the market research about the development of new products which would enable the company to tap the market early.

## Competition

The Industry which we cater to is highly competitive, unorganized and fragmented with many small and medium-sized companies and entities and we compete with organized as well as unorganized sector on the basis of pricing of product,

product quality and product range. Most of our competitors in the regional level are from the unorganized sector. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way.

### Our Present Infrastructure Facility

#### Registered Office

Sr. No	Purpose	Address	Owned/Leased
1.	Registered Office	Unit no 7, Dharam Jyot Co Operative Society, 136, Kazi Sayed Street, Masjid Bunder, Mumbai 400003, Maharashtra, India.	Leased
2.	Corporate Office	512, 5th floor Yogeshwar Premises 135, Kazi Sayed Street, Masjid Bunder west, Mumbai 400003, Maharashtra, India.	Leased

### Collaborations

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Draft Prospectus.

### Infrastructure

Our registered office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

### Plant & Machinery

Since, our Company is into trading of Specialty Chemicals, bulk drugs and intermediates Products and is not undertaking any manufacturing activity; our Company does not own any specific plant and machinery for manufacturing our products except as required to run the day-to-day business.

### Our Properties

Our Registered office is leased by our Company, the details of which is specified hereunder:

Sr. No.	Name of the Owner	License/ Leased/ Owned	Location of the Property	Purpose
1.	M/S Fozia Arif Merchant	Leased	Unit No 07, Dharamjyot Co Op Society, 136 Kazi Sayed Street, Masjid Bunder, Mumbai 400003, Maharashtra, India.	Registered office
2.	Mr. Arif Merchant	Leased	512, 5th floor Yogeshwar Premises 135, Kazi Sayed Street, Masjid Bunder west Mumbai 400003, Maharashtra, India.	Corporate Office

# Our company has yet to obtain an NOC from Mr. Arif Merchant and Mrs. Fozia Arif Merchant for using the said premises as its registered office and corporate office.

### Insurance Policies

Our Company has not taken any insurance against various risks inherent in our business activities. For Further details please refer Risk Factor no 17- *Our Company's hasn't taken any insurance coverage and the said would not protect us against all material hazards which may result in disruptions of operations/monetary loss on account of stoppage of work on page 33 of this draft Prospectus.*

### Intellectual Property

As on the date of the Draft Prospectus, our Company has applied for trademarks and the applications are currently pending. For details of registered and applied trademarks, please refer the chapter titled '*Government and Other Statutory Approvals*' beginning on page 200 of this Draft Prospectus.



## **Financial Indebtedness of The Company**

As on the date of this Draft Prospectus, our Company has availed unsecured loans. For further details, please refer to the section '*Statement of Financial Indebtedness*' beginning on page no. 174 of this Draft Prospectus.

## KEY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an indicative summary of certain key industry laws, regulations and policies as notified by the Government of India or State Governments and other regulatory bodies, which are applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Our Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled **‘Government and Other Approvals’** beginning on page 200 of this Draft Prospectus.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

### I. INDUSTRY SPECIFIC LAWS

#### **The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 (‘HCR Rules’)**

The regulation was first 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.

The HCR Rules are formulated under the EPA (the Environment Protection Act). The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned may agree.

‘**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 Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 (‘Chemical Accidents Rules’)**

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents by, inter alia, setting up a central crisis group and a crisis alert system. The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

### **The 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 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 170 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

### **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.

### **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 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.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSME Act')**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 The Micro, Small and Medium Enterprises Development Act, 2006 ('MSME Act'). In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

**The Legal Metrology Act, 2009 (the 'Legal Metrology Act') and the Legal Metrology (Packaged Commodities) Rules, 2011**

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act governs the standards/units/denominations used for weights and measures. It also states that any transaction/contract relating to goods shall be as per the weight/measurement prescribed by the Legal Metrology Act. Such weights and measures are required to be verified and re-verified periodically before usage through government approved test centres. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Any non-compliance or violation under the Legal Metrology Act may result in, inter alia, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Legal Metrology (Packaged Commodities) Rules, 2011 (the 'Packaged Commodities Rules') were framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lay down specific provisions applicable to packages intended for retail sale, wholesale and for export and import. A 'pre-packaged commodity' means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules provide that it is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed. Further, all pre-packaged 172 commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act and no pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules. The Packaged Commodity Rules were amended in the year 2017 to increase protection granted to consumers. Some recent additions include increased visibility of retail price, removal of dual maximum retail price and bringing e-commerce within the ambit of these rules.

**Central Motor Vehicle Rules 1993(the 'Motor Vehicle Rule')**

The Motor Vehicle Rule covers various requirements to be adhered to in the transportation of hazardous goods. Rule 9 under the Motor Vehicle Rule stipulates that the driver of vehicle carrying hazardous goods must have undergone training of specified duration from an approved institution as per syllabus prescribed in the rules. Driver must have endorsement by the licensing authority in their driving license that he is authorized to drive a goods carriage carrying goods of hazardous nature to human life. Rule 129 stipulates certain requirements to be followed by the owner of the transport vehicle like display of applicable hazard class labels in the transport vehicle, providing necessary safety equipment. Spark arrester shall be provided at the vehicle exhaust pipe.

**LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

**Shops and Establishments Legislations**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

**The Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975(the 'Professional tax' Act)**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and

employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **II. CORPORATE LAWS**

### **The Companies Act, 2013:**

The Companies Act, 2013 came into existence by repealing the Companies Act, 1956 in a phased manner. It received the assent of the President on August 29, 2013. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Companies Act, 2013 deals with matters related to Incorporation of Companies, Prospectus and allotment of securities, share capital and Debentures, Acceptance of Deposits by Companies, Management and Administration, Appointment and Qualifications of Directors and other matters incidental thereto which are necessary for better Corporate Governance, bringing in more transparency in relation to Compliances and protection of shareholders & creditors.

The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

## **III. EMPLOYMENT AND LABOUR LAWS**

### **The Code on Wages, 2019**

The new Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. Under the Act, the Central Government shall determine wage-related provisions in railways, mines, oil fields, etc., while the State Government is empowered to take such decisions in relation to other employments.

### **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 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 Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Public Liability Insurance Act, 1991 ('PLI Act')
- Industrial (Development and Regulation) Act, 1951 ('IDRA')
- Industrial Disputes Act, 1947 ('ID Act')
- Payment of Bonus Act, 1965 ('POB Act')
- Payment of Gratuity Act, 1972.
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- 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
- The Employees Compensation Act, 1923 ('EC Act') and the rules framed thereunder
- Minimum Wages Act, 1948 ('MWA') and the rules framed thereunder

#### **IV. ENVIRONMENT RELATED LAWS**

##### **National Green Tribunal Act, 2020**

The National Green Tribunal (NGT) is a specialized body that was formed under the NGT Act, 2010 for effective and expeditious disposal of cases that are related to the protection and conservation of the environment, forests, and other natural resources. India has become the third country in the world after Australia and New Zealand, for setting up a specialized environmental tribunal and also the first developing country to do so. The National Green Tribunal has a total of five places of sittings namely: Bhopal, Pune, New Delhi, Kolkata, and Chennai, amongst which, New Delhi is the Principal place of sitting.

Some of the major objectives of the National Green Tribunal (NGT) are as follows:

- Effective and expeditious disposal of cases that are related to the protection and conservation of the environment, forests, and other natural resources.
- To give relief and compensations for any damages caused to persons and properties.
- To handle various environmental disputes that involve multi-disciplinary issues.

Over the past few years, the National Green Tribunal (NGT) developed as an important body for regulation of the environment and passing strict orders on issues related to pollution, deforestation, waste management, etc. Some of the major powers of the National Green Tribunal include:

- NGT provides a way for the evolution of environmental jurisprudence through the development of an alternative dispute resolution mechanism.
- It helps in the reduction of the litigation burden on environmental matters in the higher courts.
- NGT provides a faster solution for various environment-related disputes that are less formal and less expensive.
- It curbs environment-damaging activities. NGT ensures the strict observation of the Environment Impact Assessment (EIA) process.
- NGT provides reliefs and compensations for any damages caused to persons and properties.

##### **The Environment (Protection) Act of 1986 ('EPA')**

The EPA has been formulated by the Government of India for the protection and improvement of the environment in India and for matters connected there with. The EPA is an umbrella legislation designated to provide a framework for the Government of India to co-ordinate activities of various state and central authorities established under previous environmental laws. The EPA vests the Government of India with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plan, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution.

### **The Water (Prevention and Control of Pollution) Act, 1974**

The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water. The Act envisages establishing a Central Board as well as State Board for Prevention and Control of Water Pollution. If at any place where any industry, operation or process, or any treatment and disposal system or any extension or addition thereto is being carried on, due to accident or other unforeseen act or event, any poisonous, noxious or pollution matter is being discharged, or is likely to be discharged into a stream or well or sewer or on land and, as a result of such discharge, the water in any stream or well is being polluted, or is likely to be polluted, then the person in charge of such place shall forthwith intimate the occurrence of such accident, act or event to the Board constituted under the Act and such other authorities or agencies as may be prescribed.

### **The Air (Prevention and Control of pollution) Act, 1981**

The Act provides for the prevention, control and abatement of air pollution. The Act envisages establishing a Central Board as well as State Pollution Control Boards in each state. As per the Act, no person operating any industrial plant, in any air pollution control area (so declared under Section 19 of the Act) shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the Board constituted under the Act. Further, no person shall, without the previous consent of the Board constituted under the Act, establish or operate any industrial plant in an air pollution control area.

### **Noise Pollution (Regulation & Control) Rules 2000 ('Noise Regulation Rules')**

Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the Provisions of the Environment (Protection) Act, 1986.

## **V. TAX RELATED LAWS**

### **The Income Tax Act, 1961**

The Income Tax Act deals with computation of tax liability of individuals, corporates, partnership firms and others. The Income-tax Act, 1961 ('IT Act') is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

### **The Goods and Service Tax (GST)**

GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. GST has mainly removed the Cascading effect on the sale of goods and services. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

## **VI. INTELLECTUAL PROPERTY RELATED LAWS**

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Copyright Act, 1957
- The Patents Act, 1970



- The Trademarks Act, 1999; and
- Design Act, 2000.

### **The Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **Indian Patents Act, 1970**

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **The Trademark Act, 1999**

The Trademark Act, 1999 was developed keeping in view the need for simplification of and harmonization of Trademarks system, registration and statutory protection for the purpose of prevention of the use of fraudulent marks in India. A trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. An application for trade mark registration may be made by any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it. Once granted, trade mark registration is valid for ten years unless cancelled, which may be renewed for similar periods on payment of a prescribed renewal fee. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

### **Designs Act, 2000 ('Designs Act')**

Industrial designs have been accorded protection under the Designs Act. A 'Design' means only the features of shape, configuration, pattern, ornament or composition of lines or color or combination thereof applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

## **GENERAL LEGISLATIONS**

### **Consumer Protection Act, 2019 ('CPA') and rules framed thereunder**

The CPA, which repeals the Consumer Protection Act, 1986, was enacted to provide simpler and quicker access to redress consumer grievances. It seeks to protect and promote the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. Further, the definition of 'consumer' has been expanded under the CPA to include persons engaged in online and offline transactions through electronic means or by tele-shopping, or direct-selling or multi-level marketing. In line with the CPA, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India has also notified the Consumer Protection (E-Commerce) Rules, 2020 ('E-Commerce Rules') which provides a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce.

### **The Arbitration and Conciliation Act, 2015 ('Arbitration Act')**

The Arbitration Act was enacted 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. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration. The Act provides for the arbitral tribunal to give reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process.

### **The Indian Contract Act, 1872**

The Indian Contract Act, 1872 ('Contract Act') codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. 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 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. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

### **Transfer of Property Act, 1882 ('TP Act')**

The Transfer of Property Act, 1882 (the 'TP Act') establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose.

### **The Information Technology Act, 2000**

The Information Technology Act, 2000 (the IT Act) is an Act of the Indian Parliament notified on October 17, 2000. It is the primary law in India dealing with cybercrime and electronic commerce. It was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cyber-crimes, including unauthorized access to computer systems, unauthorized modification to the contents of computer systems, damaging computer systems, and the unauthorized disclosure of confidential Information and computer fraud.

### **The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

### **The Registration Act, 1908**

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud.

### **Negotiable Instruments Act, 1881**

In India, the laws governing monetary instruments such as cheques are contained in the Negotiable Instruments Act, 1881. The Act provides effective legal provision to restrain people from issuing cheque without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act creates statutory offence in the matter of dishonour of cheque on the ground of insufficiency of funds in the account maintained by a person with the banker.

### **Limitation Act, 1963**

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

## **VII. FOREIGN REGULATIONS**

### **Foreign Exchange Management Act, 1999**

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 ('FEMA') was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

### **FEMA Regulations**

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ('FEMA Regulations') to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

### **Other Indian laws**

In addition to the above, our Company are also governed by the provisions of the Companies Act and rules framed there under, applicable SEBI regulations and rules framed thereunder, relevant central and state tax laws, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulation imposed by the central and state government and other authorities for over day to day business, operations and administration.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as ‘Citichem Alkalies (Bombay) Private Limited’ at Mumbai, Maharashtra as a private limited company under the Companies Act, pursuant to a certificate of incorporation dated March 18, 1992, issued by the RoC, Mumbai. Subsequently, our Company was converted in to a public limited Company pursuant to a special resolution passed by our shareholders at the EGM held on March 01, 1999 and consequently the name of our Company was changed to ‘Citichem Alkalies (Bombay) Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies, Mumbai dated March 23, 1999. Thereafter, the name of our Company was changed to Citichem India Ltd and a fresh certificate of incorporation dated April 07, 1999 was issued by the RoC, Mumbai.

### Changes in our Registered Office

The current registered office of the company is at 7, Floor 1, Plot 96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai, Maharashtra - 400003, India. Except as stated below, there is no change of registered office of the company since incorporation:

Date of change	Details of the address of registered office		Reason
	<b>From</b>	<b>To</b>	
10.05.2003	15 Oriental ShopG. Plaza Center 2nd Flr., 2993/301, (Above Hotel Orient) Movlana Shavkatal, Road, Grant Road, Mumbai – 400007, Maharashtra, India	14-A Oriental ShopG. Plaza Center 2nd Flr., 2993/301, (Above Hotel Orient) Movlana Shavkatal, Road, Grant Road, Mumbai – 400007, Maharashtra, India	To facilitate operational convenience
	<b>From</b>	<b>To</b>	
17.09.2018	14-A Oriental ShopG. Plaza Center 2nd Flr., 2993/301, (Above Hotel Orient) Movlana Shavkatal, Road, Grant Road, Mumbai – 400007, Maharashtra, India	7, Floor 1, Plot No 96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai – 400003, Maharashtra, India	To facilitate operational convenience

### Main Objects of our Company

The main objects of our Company as contained in our Memorandum of Association is as follows:

*To Carry on the business of Manufacturer and dealing with all types of chemicals namely, alkalies and alkali based products, the derivatives.*

*To carry on the business of manufacturer, dealers, exporters and importers in organic chemicals, inorganic heavy chemicals and other chemical products including intermediates alkalis, acids, tanints essences, chemicals, chemical compounds and elements of all kinds (solid, liquid and gaseous) bleaching derivatives.*

### Amendments to our Memorandum of Association

The following table set forth details of the amendments to our Memorandum of Association, from the incorporation date till the date of this Draft Prospectus:

Date of Shareholders' resolution/ Effective date	Clause of our Memorandum of Association	Details of the amendments
March 23, 1999	I	Conversion of Company from Private Limited to Public Limited and subsequently change of name to Citichem Alkailes (Bombay) Ltd.
April 17, 1999	I	Change in Name of the company from Citichem Alkailes (Bombay) Ltd to Citichem India Ltd

Date of Shareholders' resolution/ Effective date	Clause of our Memorandum of Association	Details of the amendments
February 2, 1995	V	Authorised Capital was increased from Rs 50,000 comprising of 5,000 equity shares of Rs 10 each to Rs 10,00,000 comprising of 1,00,000 equity shares of Rs 10 each.
October 31, 2019	V	Authorised Capital was increased from Rs 10,00,000 comprising of 1,00,000 equity shares of Rs 10 each to Rs 5,00,00,000 comprising of 50,00,000 equity shares of Rs 10 each.
February 1, 2023	V	Authorised Capital was increased from Rs 5,00,00,000 comprising of 50,00,000 equity shares of Rs 10 each to Rs 7,50,00,000 comprising of 75,00,000 equity shares of Rs 10 each.

### Major Events and Milestones in the History of our Company

The table below sets forth the key events and milestones in the history of our Company:

Financial Years	Particulars
March 18, 1992	Incorporation of our Company
March 23, 1999	Conversion of Company from Private Limited to Public Limited.
April 17, 1999	Change in Name of the company from Citichem Alkailes (Bombay) Ltd to Citichem India Ltd

### Awards and Accreditations

As on the date of the draft Prospectus the company has not received any Awards and Accreditations.

### Time and cost overrun

There have been no time and cost over-runs in respect of our business operations.

### Defaults or re-scheduling/restructuring of borrowings

There have been no defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings except as stated in the chapter titled '*Outstanding Litigation and Material Developments*' beginning on page 184 of this Draft Prospectus.

### Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Prospectus.

### Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see '*Our Business*' beginning on page 103 of this Draft Prospectus.

### Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., since incorporation

Our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets since incorporation.

### Material Agreements

Our Company has not been a party to any material agreement, as on this date of Draft Prospectus.

#### **Our Holding Company**

As on date of this Draft Prospectus, our company does not have any holding company.

#### **Our Subsidiaries, Joint Ventures and Associates**

As on the date of this Draft Prospectus, our Company does not have any subsidiaries, joint ventures or associates.

#### **Details of guarantees given to third parties by our Promoters**

As on the date of this Draft Prospectus, our Promoters and members of the Promoter Group have not given any guarantees to third parties.

#### **Agreements with Key Managerial Personnel, Director, Promoter, or any other employee**

There are no agreements entered into by our Key Managerial Personnel or Director or Promoter, or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company

## OUR MANAGEMENT

In terms of the Articles of Association, our Company is authorised to have a minimum of 3 and maximum of 15 Directors, in accordance with the provisions of the Companies Act, 2013. As on the date of this Draft Prospectus, our Board comprises of 5 Directors, including 2 Executive Directors, 1 Non-Executive Director and 2 Non-Executive Independent Directors. The present composition of the Board and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013.

Name, Designation, DIN, Date of Birth, Age, Qualification, Experience, Address, Occupation, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<p><b>Mr. Arif Esmail Merchant</b>  <b>Designation:</b> Managing Director  <b>DIN:</b> 00500363  <b>Date of Birth:</b> January 23, 1962  <b>Age:</b> ~62 years  <b>Qualification:</b> Higher Secondary  <b>Address:</b> Kalpataru Heights, 19th Floor, Flat No. 191, Dr. Anandrao Nair Road, Next to Agripada Police Station, Mumbai Maharashtra India 400011  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> March 18, 1992  <b>Change in Designation:</b> August 08, 2019  <b>Period of Directorship:</b> Appointed for a period of 5 years with effect from August 08, 2019.  <b>Brief Bibliographies:</b> Mr. Arif Merchant has more than 30 years of experience in sourcing and supply of organic, inorganic and speciality chemicals. The backbone and founder of Citichem Group, Mr. Arif Merchant has major expertise in business development and is having a great business acumen.</p>	<ul style="list-style-type: none"> <li>• HM Megabrands Private Limited,</li> <li>• IPAYQUIK Technologies Private Limited<sup>#</sup></li> <li>• Fountain Forex Connect Private Limited<sup>#</sup></li> <li>• He is also partner of Reliable Industry India LLP</li> </ul>
<p><b>Mr. Hashim Arif Merchant</b>  <b>Designation:</b> Director  <b>DIN:</b> 03015945  <b>Date of Birth:</b> November 16, 1985  <b>Age:</b> ~38 years  <b>Qualification:</b> Higher Secondary  <b>Address:</b> A-72, ST Andrews CHS Ltd, Souter Street, Central Agripada, Mumbai – 400 008, Maharashtra, India  <b>Occupation:</b> Business  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> April 01, 2021  <b>Change in Designation:</b> November 30, 2021  <b>Period of Directorship:</b> Continuation  <b>Brief Bibliographies:</b> Mr. Hashim Arif Merchant has over 10 years of experience. Under his guidance, the company has introduced wide range of food chemical and is in the process of setting up largest manufacturing unit to manufacture retail packaging for the retail sector.</p>	<ul style="list-style-type: none"> <li>• HM Megabrands Private Limited</li> <li>• IPAYQUIK Technologies Private Limited #</li> <li>• Fountain Forex Connect Private Limited#</li> </ul>
<p><b>Mr. Wasim Nisar Rizvi</b>  <b>Designation:</b> Non- Executive Director  <b>DIN:</b> 08651434  <b>Date of Birth:</b> November 26, 1983  <b>Age:</b> ~40 years  <b>Qualification:</b> Under graduate  <b>Occupation:</b> Business  <b>Address:</b> Room No. 42, Chawl No. 05, Saman Nagar, Gate no 8, Near Bus Depot Malvani, Malad East, Kharodi, Mumbai – 400095, Maharashtra, India  <b>Nationality:</b> Indian  <b>Original Date of Appointment:</b> April 01, 2021  <b>Change in Designation:</b> November 30, 2021</p>	<p>Nil</p>



Name, Designation, DIN, Date of Birth, Age, Qualification, Experience, Address, Occupation, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship	Other Directorships as on the date of this Draft Prospectus
<b>Period of Directorship:</b> Continuation <b>Brief Bibliographies:</b> Mr. Wasim Nisar Rizvi, aged 39 years has more than 5 years of experience in sourcing and supply of organic, inorganic and speciality chemicals. He is associated with our company since April 01, 2021.	
<b>Name:</b> Ms. Valentina Priyanka Creado <b>Designation:</b> Non- Executive and Independent Director <b>DIN:</b> 09835529 <b>Date of Birth:</b> October 02, 1993 <b>Age:</b> ~30 years <b>Qualification:</b> Bachelor's in Mass Media <b>Address:</b> 353, Versova, Ekta CHS 4 Bungalow, Juhu Versova Link Road, Andheri West, Mumbai - 400053 <b>Occupation:</b> Service <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> February 16, 2023 <b>Change in Designation:</b> N.A <b>Period of Directorship:</b> 5 Years <b>Brief Bibliographies:</b> Ms. Priyanka Valentina Creado, aged 30 years is Independent Director of our Company. She was appointed on the Board as an Independent Director on February 16, 2023, for a period of 5 years. She holds degree in Bachelor of Mass Media and having experience of almost 10 years in Business Development and Administration.	Nil
<b>Name:</b> Mr. Vijay Kumar Bhatt <b>Designation:</b> Non- Executive and Independent Director <b>DIN:</b> 10046766 <b>Date of Birth:</b> February 05, 2000 <b>Age:</b> ~24 years <b>Qualification:</b> B. Com <b>Occupation:</b> Service <b>Address:</b> Sankhara, Bhilwara, Rajasthan-311603 <b>Nationality:</b> Indian <b>Original Date of Appointment:</b> February 16, 2023 <b>Change in Designation:</b> N.A <b>Period of Directorship:</b> 5 Years <b>Brief Bibliographies:</b> Mr. Vijay Kumar Bhatt, aged 22 years is Independent Director of our Company. He was appointed on the Board as an Independent Director on February 16, 2023, for a period of 5 years. He holds degree in Bachelor of Commerce and having experience of 2 years in the field of Accounts and Taxation.	Nil

# companies have been struck off

#### As on the date of the Draft Prospectus

- None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- Neither Promoter nor 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.
- 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.
- None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) during his/her tenure.
- None of our Promoter or Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

- F. None of our Directors are/were a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such Company.
- 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 except as stated in the chapter titled '*Outstanding Litigation and Material Developments*' beginning on page 184 of this Draft Prospectus.

#### **Relationship between our Directors**

Except as stated below, as on the date of this Draft Prospectus, none of our directors are related to each other as per section 2(77) of the Companies Act, 2013.

Mr. Arif Esmail Merchant and Mr. Hashim Arif Merchant are related to each other as Father and Son.

#### **Relationship between our Directors and KMPs**

As on the date of this Draft Prospectus, none of our directors and KMPs are related to each other as per section 2(77) of the Companies Act, 2013.

#### **Arrangement and understanding with major shareholders, customers, suppliers or others**

As on the date of this Draft Prospectus, there are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a director or member of senior management.

#### **Service contracts with Directors**

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

#### **Borrowing Powers of the Board**

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the members at the EGM/AGM of the Company held on Wednesday, February 01, 2023, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made there under, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs 25.00 crores.

#### **Terms of Appointment & Remuneration to Executive Directors**

##### **Mr. Arif Esmail Merchant**

Mr. Arif Esmail Merchant is designated as Managing Director of the Company w.e.f. August 08, 2019 for a period of Five (5) years, liable to retire by rotation for a remuneration of Rs. 2,00,000 per month.

##### **Mr. Hashim Arif Merchant**

Mr. Hashim Arif Merchant was designated as the CFO of the company w.e.f. August 08, 2019. He resigned from the post of CEO and was appointed as an Additional Director of our Company on April 01, 2021. Later on, by virtue of resolution

passed by Members of the Company on November 30, 2021, he was reappointed as Executive Director of the Company w.e.f. April 01, 2021, at a remuneration of Rs. 2,00,000 per month.

#### **Compensation paid to Executive Directors during preceding Financial Year 2022-2023**

<b>Name of the Directors</b>	<b>Amount (Rs in lakhs)</b>
Mr. Arif Esmail Merchant	25.00
Mr. Hashim Arif Merchant	20.00

#### **Payment or benefit to Non -Executive Directors and Independent Directors of our Company**

Pursuant to Board resolution dated Thursday, February 16, 2023, each Non-executive and Independent director is entitled to receive sitting fees of Rs. 5000 per Meeting for attending all Board and Committee Meetings. Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations.

#### **Remuneration paid or payable to our Directors by our Subsidiaries**

There is no subsidiary of our Company. Hence, none of the Directors of our Company has been paid any remuneration, including any contingent or deferred compensation accrued for Financial Year 2022.

#### **Shareholding of Directors in our Company**

The shareholding of our Directors in our Company as on the date of this Draft Prospectus is set forth below:

<b>Name of director</b>	<b>Number of Equity Shares</b>	<b>Percentage of Pre-Issue Capital (%)</b>
Mr. Arif Esmail Merchant	18,92,496	37.85
Mr. Hashim Arif Merchant	10,20,004	20.40
Ms. Valentina Priyanka Ekberth Creado	7,500	0.15
<b>Total</b>	<b>29,20,000</b>	<b>58.40</b>

#### **Interest of directors**

All our Non-Executive Directors including Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our executive Directors deemed to be interested to the extent of remuneration payable to them pursuant to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer to the chapter titled ***‘Our Management - Shareholding of Directors in our Company’*** on page 122 of this Draft Prospectus.

Other than our promoter directors, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as stated in the chapter titled ***‘Business Overview’*** beginning on page 103 of this Draft Prospectus and in the chapter titled ***‘Restated Financial Statement’*** beginning on page 140 of this Draft Prospectus, none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in the chapter titled ***‘Restated Financial Statement’*** beginning on page 140 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

### Payment of benefits (non-salary related)

Except as disclosed in the chapter titled '*Restated Financial Statement*' beginning on page 140 of this Draft Prospectus, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of our directors except the remuneration for services rendered and/or sitting fees as Directors.

### Bonus or profit-sharing plan for the Directors

None of the Directors are party to any bonus or profit-sharing plan of our Company.

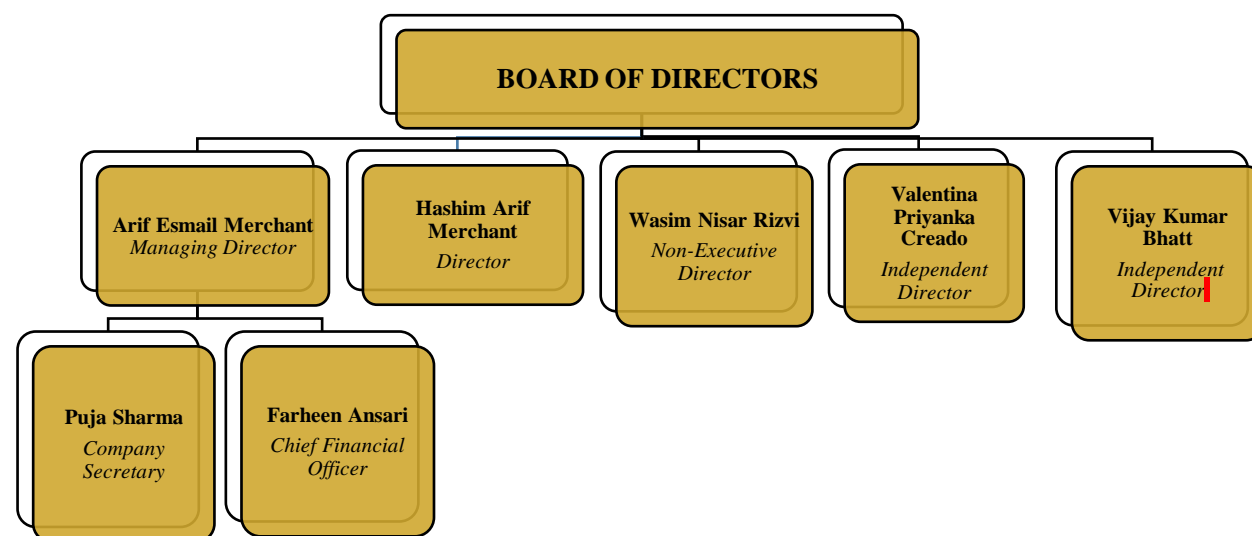
### Changes in the board of directors in the 3 years immediately preceding the date of this Draft Prospectus.

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of this Draft Prospectus:

Sr. No	Name	Date	Designation	Reason
1	Farheen Ansari	20/03/2023	CFO	Appointment
2	Hashim Arif Merchant	20/03/2023	CFO	Resignation
3	Hashim Arif Merchant	16/02/2023	CFO	Appointment
4	Valentina Priyanka Creado	16/02/2023	Independent Director	Appointment
5	Vijay Kumar Bhatt	16/02/2023	Independent Director	Appointment
6	CFO Arif Merchant	30/11/2021	Executive Director	Regularisation of Director appointed in the Board Meeting
7	Wasim Nisar Rizvi	30/11/2021	Non-Executive Director	Regularisation of Director appointed in the Board Meeting

### Management Organization Structure

The following chart depicts our Management Organization Structure



### Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on SME Platform of BSE Limited and shall be applicable to us immediately upon the listing of our Equity Shares with the Designated Stock Exchange. We are in compliance with the requirements of the applicable regulations, including Regulations, SEBI regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and SEBI LODR Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

### **Committees of the Board of directors**

Our Board of Directors presently has four (4) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee, and (iii) Stakeholders Relationship Committee.

#### **A. Audit Committee**

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable LODR Regulations, and any other applicable guidelines vide resolution passed in the meeting of our Board dated Thursday, February 16, 2023. The constitution of the Audit Committee is as follows:

<b>Name of Director</b>	<b>Designation in Committee</b>	<b>Nature of the Directorship</b>
Mr. Vijay Kumar Bhatt	Chairman	Non-Executive Independent Director
Ms. Valentina Priyanka Creado	Member	Non-Executive Independent Director
Mr. Wasim Nisar Rizvi	Member	Non-executive Director

The Company Secretary and Compliance Officer of the Company will act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### **Tenure:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **Meetings of the Audit Committee and Relevant Quorum:**

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

The scope of Audit Committee shall include but shall not be restricted to the following:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013

1. Changes, if any, in accounting policies and practices and reasons for the same.
  2. Major accounting entries involving estimates based on the exercise of judgment by management.
  3. Significant adjustments made in the financial statements arising out of audit findings.
  4. Compliance with listing and other legal requirements relating to financial statements.
  5. Disclosure of any related party transactions.
  6. Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
  - Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/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.
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  - Approval or any subsequent modification of transactions of the Company with related parties.
  - Scrutiny of inter-corporate loans and investments.
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  - 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.
  - Discussion with internal auditors any significant findings and follow up there on.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - 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.
  - 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.
  - To review the functioning of the Whistle Blower mechanism.
  - 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.
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term 'related party transactions' shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

The Audit Committee enjoys following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary.
5. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

## B. Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable LODR Regulations and any other applicable guidelines, in the meeting of the Board of Directors held on Thursday, February 16, 2023. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

Name of Director	Designation in Committee	Nature of the Directorship
Mr. Vijay Kumar Bhatt	Chairman	Non-Executive Independent Director
Ms. Valentina Priyanka Creado	Member	Non-Executive Independent Director
Mr. Wasim Nisar Rizvi	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company will act as the Secretary to the Nomination and Remuneration Committee.



**Tenure:**

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**Meetings of the Nomination and Remuneration Committee and Relevant Quorum:**

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**Role of Terms of Reference:**

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
  2. Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
  3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
  4. Devising a policy on diversity of board of directors;
  5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
  6. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
  7. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
  8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
  9. Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
  - To formulate and administer the Employee Stock Option Scheme.

**C. Stakeholders Relationship Committee**

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of LODR Regulations, in the meeting of Board of Directors dated Thursday, February 16, 2023. The Stakeholders Relationship Committee presently consists of the following Directors of the Board:

Name of Director	Designation in Committee	Nature of the Directorship
Mr. Vijay Kumar Bhatt	Chairman	Non-Executive Independent Director
Ms. Valentina Priyanka Creado	Member	Non-Executive Independent Director
Mr. Wasim Nisar Rizvi	Member	Non-Executive Director

The Company Secretary and Compliance Officer of the Company will act as the Secretary to the Stakeholder's Relationship Committee.

**Tenure:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**Meetings of the Stakeholders Relationship Committee and Relevant Quorum:**

The Stakeholders Relationship Committee is required to meet at least once a year and report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**Role of Terms of Reference:**

**Redressal of shareholders' and investors' complaints, including and in respect of:**

Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.

1. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
2. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
3. Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
4. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
5. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
6. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
7. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

**Policy on disclosures and internal procedure for prevention of Insider Trading**

The provisions of regulation 9(1) of the PIT Regulations, will be applicable to our Company immediately upon the listing of its Equity Shares on the Designated Stock Exchange. We shall comply with the requirements of the PIT Regulations on listing of Equity Shares on Designated Stock Exchange. The Board of Directors at their meeting held on Thursday, February 16, 2023 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

**Policy for determination of materiality & materiality of Related Party Transactions and on dealing with Related Party Transactions**

The provisions of the LODR Regulations, will be applicable to our Company immediately upon the listing of Equity Shares of our Company on the Designated Stock Exchange. We shall comply with the requirements of the LODR Regulations, on listing of Equity Shares on the Designated Stock Exchange. The Board of Directors at their meeting held on Thursday,

February 16, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **Our Key Managerial Personnel**

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

#### **Brief Profile of Key Managerial Personnel:**

##### **Ms. Puja Sharma, Company Secretary & Compliance Officer**

Ms. Puja Sharma aged 33 years is Company Secretary & Compliance Officer of our Company. She was appointed by our Board of Directors in their meeting held on February 16, 2023. She is an Associate member of the Institute of Company Secretaries of India. She has an overall experience of more than two years in the field of Secretarial and Corporate Affairs.

##### **Ms. Farheen Ansari, Chief Financial Officer**

Ms. Farheen Ansari, aged 29 years, is the Chief Financial Officer of our Company. She has been by appointed by the Board of Directors of our Company as Chief Financial Officer with effect from March 20, 2023. She holds a Degree of Bachelor of Commerce. She has more than 5 years of experience in the field of finance, accounts and taxation.

##### **Mr. Arif Esmail Merchant, Managing Director**

For the complete profile of Mr. Arif Esmail Merchant, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see section '*Our Management - Brief Biographies of our Directors*' on page 122 of this Draft Prospectus.

#### **Nature of any family relation between any of the key managerial personnel**

As on date of this Draft Prospectus, none of our Key Managerial Personnel are related to each other as per section 2(77) of the Companies Act, 2013.

### **Arrangement or understanding with major shareholders, customers, suppliers or others**

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as a Key Managerial Personnel.

### **Interest of Key Managerial Personnel**

Except as disclosed above in 'Interest of Directors' with respect to the Managing Director and the personal guarantees given by Mr. Arif Esmail Merchant, our Key Managerial Personnel for securing our borrowings mentioned in '*Financial Indebtedness*' on page 174, our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares, if any, held by them in the Company.

### **Service Contracts with Directors and Key Managerial Personnel**

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or superannuation, other than statutory benefits.

### **Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

There is no contingent or deferred compensation accrued for Financial Year 2023 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

### **Compensation paid to Key Managerial Personnel during last financial year i.e. 2022-23**

For details with respect to the compensation paid to our Key Managerial Personnel during preceding Financial Year 2022-23 please refer to the chapter titled '*Restated Financial Statement*' beginning on page 140 of this Draft Prospectus.

### **Bonus or profit-sharing plan for Key Managerial Personnel**

None of the Key Management Personnel is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel.

### **Status of Permanent Employment of KMPs**

All the key managerial personnel mentioned above are permanent employees of our Company.

### **Shareholding of the Key Managerial Personnel**

None of our Key Managerial Personnel except Mr. Arif Esmail Merchant, hold Equity Shares in our Company as on the date of filing of this Draft Prospectus. For further details, please refer to the chapter titled '*Capital Structure*' beginning on page 65 of this Draft Prospectus.

### **Changes in Key Managerial Personnel during preceding Three (3) Years**

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three (3) years preceding the date of this Draft Prospectus:

<b>Name of KMP</b>	<b>Date of Change in Designation / Appointment</b>	<b>Designation</b>	<b>Reason</b>
Ms. Farheen Ansari	20.03.2023	Chief Financial Officer	Appointment
Mr. Hashim Arif Merchant	20.03.2023	Chief Financial Officer	Resignation
Mr. Hashim Arif Merchant	16.02.2023	Chief Financial Officer	Appointment
Ms. Puja Sharma	16.02.2023	Company Secretary & Compliance Officer	Appointment

### **Attrition of Key Managerial Personnel**

None of our key management personnel attrition rate is high as compared to the industry.

### **Employees' Stock Option or or Employee Stock Purchase Scheme**

As on date of this Draft Prospectus, our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme.

### **Payment of benefits to of our KMPs (non-salary related)**

Except as disclosed in this Draft Prospectus other than any statutory payments made by our Company to its KMPs in last three (3) Preceding Financial Years, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees.


For further details, please refer to the chapters titled '*Business Overview*', '*Financial Indebtedness*' and '*Restated Financial Statement*' beginning on pages 103, 174 and 140 respectively of this Draft Prospectus.

## OUR PROMOTERS AND PROMOTER GROUP

Mr. Arif Esmail Merchant is the promoter of our company. As on the date of this Draft Prospectus, our Promoter holds 18,92,496 Equity Shares, representing 37.85% of the issued, subscribed, and paid-up Equity Share capital of our Company. For details of the shareholding of our Promoters in our Company, as on the date of this Draft Prospectus, see '*Capital Structure – History of the Equity Share capital held by our Promoters – Build-up of our Promoters' equity shareholding in our Company*' on page 65 of this Draft Prospectus.

Our Company confirms that the permanent account number, bank account number(s), passport number, Aadhar card number and driving license number of our individual Promoters were submitted to the Stock Exchange at the time of filing of the Draft Prospectus.

### Our Promoter

	Mr. Arif Esmail Merchant, aged 60 years, is one of the Promoters of our Company.
	Date of Birth: January 23, 1962
	Permanent Account Number: AABPM5673N
	Residential Address: A-72, St. Andrews Chs Ltd, 3, Souter Street, Next To Jhula Maidan, Agripada, Mumbai 400008 Maharashtra, India
	For complete profile of Mr. Arif Esmail Merchant, along with details of his date of birth, personal address, educational qualifications, professional experience, position / posts held in the past, directorships held, and business and financial activities, other directorships, other ventures and special achievements, please see section titled ' <i>Our Management –Brief biographies of Directors</i> ' on page 122

### Change in Control of our Company

There has not been any change in the control of our Company during the last five years preceding the date of this Draft Prospectus. For further details of acquisition of Equity Shares by our Promoters, please see section titled '*Capital Structure-Build-up of the shareholding of our Promoters in our Company*' on page 65

For details of acquisition of shareholding by our Promoters, please see '*Capital Structure –Build-up of Promoters shareholding in our Company*' 65 of this Draft Prospectus. For, further details kindly refer to the '*Risk Factor* of this Draft Prospectus. *There has been a frequent change in the control over the affairs of the Company in the recent past, which may make it difficult for you to evaluate the past business of the Company.*' on page 26 of this Draft Prospectus.

### Interest of Promoter

None of our Promoters/ Directors have any interest in our Company except to the extent of compensation payable/ paid, and reimbursement of expenses (if applicable) and to the extent of any Equity Shares held by them and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please refer to the '*Capital Structure*', '*Financial Information*' and '*Our Management*' beginning on pages 65, 140, and 122 of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreements, or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements, or arrangements which are proposed to be made with them other than in the normal course of business.

### Interest in the promotion of our Company

Our Promoter is interested in our Company to the extent (i) that he has promoted our Company (ii) of his direct and indirect shareholding in our Company and the shareholding of his relatives in our Company; and (iii) of dividends payable (if any) and any other distributions in respect of the Equity Shares held by him in our Company. Our Promoter is interested in our Company to the extent that they are the promoters of our Company. For further details, see '*Capital Structure - Details of shareholding of the major Shareholders of our Company*' on page 65 of this Draft Prospectus.

Our Promoter is also deemed to be interested to the extent of remuneration payable to him as the Chairman and Managing Director of our Company. For details see '*Restated Financial Information –Related Party Disclosures*' on page 144.

### ***Interest in the property of our Company***

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding 3 years from the date of this Draft Prospectus or proposed to be acquired by it as on the date of filing of this Draft Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery except as disclosed in "*Object of the Issue*" on page 75 of this Draft Prospectus.

### ***Interest in our Company arising out of being a member of a firm or company***

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

### ***Interest in our Company other than as Promoters***

Our Promoters are interested in our Company to the extent of their respective shareholding in our Company and shareholding of entities in which they are associated as partners, their directorship (and consequently remuneration payable to them and reimbursement of expenses) in our Company, and the dividends payable, if any, and any other distribution in respect of their respective shareholding in our Company. For further details please refer to the '*Capital Structure*', '*Financial Information*' and '*Our Management*' beginning on pages 65, 140, and 122 of this Draft Prospectus.

### **Payment or benefits to Promoters or Promoter Group**

Except as stated in '*Related Party Transactions*' on page 139 of this Draft Prospectus, there have been no amounts paid or benefits paid or given by our Company to our Promoters or Promoter Group in the preceding 3 years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Draft Prospectus.

### **Disassociation by our Promoters in the 3 years**

None of our other Promoters have not disassociated themselves from any companies or firms during the preceding 3 years from the date of filing of this Draft Prospectus.

### **Guarantees**

Our Promoters have not given any material guarantees to any third party, in respect of the Equity Shares, as on the date of this Draft Prospectus. For details regarding other guarantees given by our Promoters, please see '*History and Certain Corporate Matters*' on page 119 of this Draft Prospectus.

### **Litigation involving our Promoters**

Except as disclosed in '*Outstanding Litigation and Other Material Developments*' page 184 of this Draft Prospectus, there are no legal and regulatory proceedings involving our Promoters as on the date of this Draft Prospectus.

### **Promoter Group**

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of the ICDR Regulations are set out below.

<b>Natural persons who are part of the Promoter Group</b>			
<b>Sr. No.</b>	<b>Name of the Promoter(s)</b>	<b>Names of the Natural Person with their Relationship</b>	
		<b>Name of the Relative</b>	<b>Relationship</b>
1.	Mr. Arif Esmail Merchant	Fozia Arif Merchant	Spouse
		Hashim Arif Merchant	Son
		Hamza Arif Merchant	Son

Natural persons who are part of the Promoter Group			
Sr. No.	Name of the Promoter(s)	Names of the Natural Person with their Relationship	
		Esmail Hasham Merchant	Father
		Rahima Esmail Merchant (Late)	Mother
		Salim E Merchant	Brother*
		Aslam E Merchant	Brother*
		Anwar E Merchant	Brother*
		Ismail K Rokadia(Late)	Spouse's Father
		Munira I Rokadia	Spouse's Mother
		Fatiya D Irani	Spouse's Sister
		Nadeem Ismail Rokadia	Spouse's Brother

*\*Person has no pecuniary relationship with the following person of promoter group currently.*

#### Entities forming part of the Promoter Group

1. HM Megabrands Private Limited,
2. IPAYQUIK Technologies Private Limited has been struck off
3. Fountain Forex Connect Private Limited has been struck off
4. Reliable Industry India LLP
5. General Chemical Industries

#### Other Confirmations

Neither our Promoter nor members of the Promoter Group have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

Neither Promoter nor entities forming part of our Promoter Group have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of this Draft Prospectus against our Promoters except as stated in the chapter titled '**Outstanding Litigation and Material Developments**' beginning on page 184 of this Draft Prospectus.



## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term ‘group companies’, includes (i) such companies (other than promoters and subsidiaries) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Pursuant to a resolution dated Monday, January 2, 2023, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies of our Company shall include the companies (other than our Promoter) with which there were related party transactions, as per AS 18 and as disclosed in the Restated Summary Statement (**‘Relevant Period’**). Additionally, companies shall be considered material, that are a part of the Promoter Group with which there were transactions in the most recent financial year and relevant stub period, respectively, as disclosed in the Restated Summary Statement included in the Issue Documents, exceeds individually or in the aggregate, 10% of the total restated revenue of our Company for the most recent financial year for which Restated Summary Statement are included in the Issue Documents, shall also be classified as Group Companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Prospectus, HM Megabrands Private Limited is considered as our Group Company

### Details of our Group Company

#### HM Megabrands Private Limited

##### *Registered office*

7, Floor-1, Plot-96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai Maharashtra 400003, India

##### *Financial Information*

The financial information derived from the audited financial statements of HM Megabrands Private Limited for the last three financial years i.e., March 31, 2021, March 31, 2022, and March 31, 2023, as required under the SEBI ICDR Regulations is as follows:

*(Amount Rs. in Lakhs, unless mentioned otherwise)*

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Equity	10.00	10.00	10.00
Reserves and Surplus (excluding revaluation reserve)	37.64	14.03	-6.48
Sales/ Revenue from Operations	477.95	2,851.43	5,220.65
Profit/(Loss) after tax	23.61	20.50	19.15
Basic earnings per share	23.61	20.50	19.15
Diluted earnings per share	23.61	20.50	19.15
Net Asset Value per share	37.64	24.03	3.52

### Nature and extent of interest of Group Companies

#### *In the promotion of our Company*

Our Group Company is not interested in the promotion of our Company as on the date of the Draft Prospectus.

#### *In the properties acquired by our Company in the past three years before filing this Draft Prospectus or proposed to be acquired by our Company*

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Prospectus or proposed to be acquired by our Company.

***In transactions for acquisition of land, construction of building and supply of machinery, etc.***

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

**Common pursuits among the Group Companies and our Company**

Our Group Company is engaged in similar activities. However, they operate only in markets which are different from the markets we operate in. We shall adopt necessary procedures and practices as permitted by law to address any instances of conflict of interest, if and when they may arise.

**Related Business Transactions within our Group Companies and significance on the financial performance of our Company**

Other than the transactions such as, *inter alia*, purchase of goods, sales disclosed in ‘***Summary of this Draft Prospectus – Summary of Related Party Transactions***’ on page 167, there are no other related business transactions with our Group Company.

**Litigation**

As on the date of this Draft Prospectus, except as stated in in the section ‘*Outstanding Litigation and Other Material Developments*’ there is no pending litigation involving our Group Company which will have a material impact on our Company.

## **DIVIDEND POLICY**

Our Company does not have any formal dividend policy for the equity shares. Our Company can pay Final dividends upon a recommendation by Board of Directors and approval by majority of the members at the Annual General Meeting subject to the provisions of the Articles of Association and the Companies Act. The Members of our Company have the Rights to decrease, not to increase the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to Board of Directors to declare and pay interim dividends.

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 which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. The declaration and payment of dividend will depend on a number of factors, including but not limited to the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions, contractual obligations and restrictions, restrictive covenants under the loan and other financing arrangements to finance the various projects of our Company and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares for the period covered in Restatement of Accounts as per our Restated Financial Statements.

## SECTION V: FINANCIAL INFORMATION

### INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION

To,  
The Board of Directors,  
Citichem India Limited

Dear Sirs,

We have examined the attached Restated Financial Information of Citichem India Limited, comprising the Restated Assets and Liabilities as at January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 the Restated Statements of Profit and Loss for period ended on January 31, 2024 and year ended March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Cash Flow Statement for the period ended January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 the Summary statement of Significant Accounting Policies and other explanatory information (Collectively the Restated Financial Information as approved by the Board of Directors of the Company for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus, prepared by the company in connection with its proposed Initial Public Offer of equity shares (IPO) prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended from time to time (the Guidance Note).

The Company's Board of Directors are responsible for the preparation of Restated Financial Information for the purpose of inclusion in the DRHP / RHP / Prospectus to be filled with Securities and Exchange Board of India, NSE/BSE and Registrar of Companies, Mumbai, Maharashtra in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the company on the basis of preparation stated in notes to the Restated Financial Information. Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. Management also responsible for identifying and ensuring that the Company complies with the Companies Act, ICDR Regulations and the Guidance Note.

We have examined such Restated Financial Information taking into consideration:

The terms of reference and terms of our engagement agreed upon with the company in accordance with our engagement letter in connection with the proposed IPO of equity shares of the Company;

The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI; and

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.

These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the company for the financial years / period ended on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 which have been approved by Board of directors.

In accordance with the requirements of Act, SEBI ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:

The "Restated Statement of Assets and Liabilities" as set out in Annexure 1 to this report, of the Company as at January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully

described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure 4(A) to this Report.

The “Restated Statement of Profit and Loss” as set out in Annexure 2 to this report, of the Company for financial year/ period ended on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in Annexure 4(A) to this Report.

The “Restated Statement of Cash Flow” as set out in Annexure 3 to this report, of the Company for financial year / period ended on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure 4(A) to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and auditor’s report thereon which have been prepared by Statutory Auditor of the Company for the financial year / period ended on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021, we are of the opinion that the Restated Financial Statements or Restated Summary Statements 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 period if any;

Adjustment for any material amounts in the respective financial years / period have been made to which they relate;

They do not contain any extra-ordinary items that needs to be disclosed separately except as shown in the Restated Financial Information;

There are no revaluation reserves, which needs to be disclosed separately in the Restated Financial Statement.

There are no qualifications in the Audit Report issued by statutory auditors for the financial year / period ended on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 which would require adjustments in this Restated Financial Statement of the Company.

The Company has not paid dividend on its equity shares during the reporting period.

We have also examined the following Restated financial information of the Company set out in the Annexure as prepared by the management and approved by the Board of Directors of the company for the financial year / period ended January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 proposed to be included in the Draft Prospectus / Prospectus (“Offer Document”) for the proposed IPO:

Annexure – 4(A): Significant Accounting Policies and Notes to Accounts as restated

Annexure - 5: Restated Statement of Share Capital

Annexure - 6: Restated Statement of Reserves & Surplus

Annexure - 7: Restated Statement of Long-term Borrowings

Annexure - 8: Restated Statement of Short-term Borrowings

Annexure - 9: Restated Statement of Trade Payables

Annexure - 10: Restated Statement of Other Current Liabilities

Annexure - 11: Restated Statement of Short-Term Provisions

Annexure - 12: Restated Statement of Property, Plant and Equipment

- Annexure - 13: Restated Statement of Other Non-Current Assets
- Annexure - 14: Restated Statement of Inventories
- Annexure - 15: Restated Statement of Trade Receivables
- Annexure - 16: Restated Statement of Cash and Cash Equivalents
- Annexure - 17: Restated Statement of Short-Term Loans and Advances
- Annexure - 18: Restated Statement of Other Current Assets
- Annexure - 19: Restated Statement of Revenue from Operations
- Annexure - 20: Restated Statement of Other Income
- Annexure - 21: Restated Statement of Purchase of Stock in Trade
- Annexure - 22: Restated Statement of Changes in Inventories of Finished Goods and Work-in-Progress
- Annexure - 23: Restated Statement of Employee Benefit Expenses
- Annexure - 24: Restated Statement of Finance Cost
- Annexure - 25: Restated Statement of Depreciation and Amortization Expense
- Annexure - 26: Restated Statement of Other Expenses
- Annexure - 27: Restated Statement of Deferred Tax
- Annexure - 28: Restated Statement of Contingent Liabilities
- Annexure - 29: Restated Statement of Accounting Ratios
- Annexure - 30: Restated Statement of Related Party Transactions
- Annexure - 31: Restated Statement of Capitalization
- Annexure - 32: Restated Statement Tax Shelter

This report should not in any way be construed as re-issuance or re-dating of any of the previous audit reports issued by us or any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.

In our opinion, the above financial information contained in Annexure 1 to 36 and read along with the Restated Statement of Significant Accounting Policies and Notes as set out in Annexure 4(A) are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI ICDR Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

We, GGPS and Associates, Chartered Accountants have been subjected to peer review process of the Institute of Chartered Accountant of India (ICAI) and hold a valid review certificate No. - 013884 dated 24/12/2021 issued by the “Peer Review Board” of the ICAI.

Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For GGPS and Associates**  
**Chartered Accountants**  
**Firm Regn No. – 032345N**

**Sd/-**

**Gaurav Gupta**  
**Partner**  
**Mem. No. 524688**  
**Place: Delhi**  
**UDIN: 24524688BKAQKX9916**  
**Date: 07.06.2024**

**RESTATED FINANCIAL INFORMATION**

<b>Annexure - 1: Restated Statement of Assets and Liabilities</b>					
<b>(Amount Rs. In Lakhs)</b>					
<b>Particulars</b>	<b>Annex. No.</b>	<b>As At 31st January, 2024</b>	<b>As At 31st March, 2023</b>	<b>As At 31st March, 2022</b>	<b>As At 31st March, 2021</b>
<b>I. Equity and Liabilities</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	<b>5</b>	500.00	500.00	500.00	6.80
(b) Reserve & Surplus	<b>6</b>	189.35	113.27	77.01	53.08
(c) Money received against share warrants		0.00	0.00	0.00	0.00
<b>(2) Share application money pending allotment</b>		0.00	0.00	0.00	0.00
<b>(3) Non-current Liabilities</b>					
(a) Long term borrowings	<b>7</b>	100.60	104.10	107.54	0.00
(b) Deferred tax liabilities (Net)		0.00	0.00	0.00	0.00
(c) Other long term liabilities		0.00	0.00	0.00	0.00
(d) Long term provisions		0.00	0.00	0.00	0.00
<b>(4) Current Liabilities</b>					
(a) Short term borrowings	<b>8</b>	7.61	5.55	3.08	0.00
(b) Trade payables	<b>9</b>				
(A) Total outstanding dues of micro and small enterprises		80.41	80.41	80.41	80.41
(B) Total outstanding dues of creditors other than micro and small enterprise		5,917.82	7,116.14	8,347.23	7,168.67
(c) Other current liabilities	<b>10</b>	36.80	28.45	18.89	12.57
(d) Short term provisions	<b>11</b>	54.61	24.61	8.52	7.63
<b>Total</b>		<b>6,887.19</b>	<b>7,972.53</b>	<b>9,142.69</b>	<b>7,329.16</b>
<b>II. Assets</b>					
<b>(1) Non-current Assets</b>					
(a) Property, Plant and Equipment and Intangible assets					
(i) Property, Plant and Equipment	<b>12</b>	9.20	10.23	7.78	8.95
(ii) Intangible assets		0.00	0.00	0.00	0.00
(iii) Capital WIP		0.00	0.00	0.00	0.00
(iv) Intangible assets under development		0.00	0.00	0.00	0.00
(b) Non-current investments		0.00	0.00	0.00	0.00
(c) Deferred tax assets (net)		0.29	0.41	0.52	0.26
(d) Long term loans and advances		0.00	0.00	0.00	0.00
(e) Other non-current assets	<b>13</b>	10.88	11.51	3.19	2.69
<b>(2) Current Assets</b>					
(a) Current investments		0.00	0.00	0.00	0.00
(b) Inventories	<b>14</b>	3,639.57	4,477.24	4,132.84	3,464.28
(c) Trade receivables	<b>15</b>	3,083.63	3,418.49	4,639.93	3,359.16
(d) Cash and cash equivalents	<b>16</b>	98.57	19.26	2.61	5.63
(e) Short-term loans and advances	<b>17</b>	0.00	0.00	0.00	0.00



Annexure - 1: Restated Statement of Assets and Liabilities					
(Amount Rs. In Lakhs)					
Particulars	Annex. No.	As At 31st January, 2024	As At 31st March, 2023	As At 31st March, 2022	As At 31st March, 2021
(f) Other current assets	18	45.04	35.38	355.78	488.20
<b>Total</b>		<b>6,887.19</b>	<b>7,972.53</b>	<b>9,142.66</b>	<b>7,329.17</b>
Significant Accounting Policies	4A				
Reconciliation of Restated Profit & Audit Profit	4B				
Notes forming part of the Financial Statement	5 to 32				
As per our report of even date					

For GGPS and Associates  
Firm Regd. No. 032345N  
Chartered Accountants

For Citichem India Limited

Gaurav Gupta  
Partner  
M.No.- 524688  
UDIN - 24524688BKAQKX9916  
Place: Delhi  
Date: 07.06.2024

Arif Merchant  
Director  
DIN - 00500363

Hashim Merchant  
Director  
DIN - 03015945

Annexure - 2: Restated Statement of Profit and Loss					
(Amount Rs. In Lakhs)					
Particulars	Annex No	Upto 31 <sup>st</sup> January 2024	2022-23	2021-22	2020-21
I. Revenue from operations:	19	1,498.25	2,094.07	8,521.64	18,016.73
II. Other income:	20	0.00	0.00	6.37	11.06
<b>III. Total Income (I + II)</b>		<b>1,498.25</b>	<b>2,094.07</b>	<b>8,528.00</b>	<b>18,027.79</b>
<b>IV. Expenses:</b>					
Purchases of Stock-in-Trade	21	425.11	2,250.48	9,033.24	18,671.77
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	837.68	-344.40	-668.56	-850.99
Employee benefit expense	23	57.45	63.44	52.59	45.12
Finance Costs	24	12.95	6.36	10.30	0.33
Depreciation and Amortization Expense	25	1.03	1.17	2.21	2.33
Other Expenses	26	57.82	66.16	66.03	129.91
<b>Total Expenses (IV)</b>		<b>1,392.05</b>	<b>2,043.21</b>	<b>8,495.80</b>	<b>17,998.46</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	<b>106.20</b>	<b>50.87</b>	<b>32.20</b>	<b>29.33</b>
VI. Exceptional Items		0.00	0.00	0.00	0.00
VII. Profit before extraordinary items and tax	(V - VI)	<b>106.20</b>	<b>50.87</b>	<b>32.20</b>	<b>29.33</b>
VIII. Extraordinary Items	27	0.00	0.00	0.00	0.00
IX. Profit before tax	(VII - VIII)	<b>106.20</b>	<b>50.87</b>	<b>32.20</b>	<b>29.33</b>
X. Tax Expense:					
(1) Current Tax		30.00	14.50	8.53	7.63
(2) Deferred Tax	28	0.12	0.11	-0.26	-0.26
(2) Tax Adjustment of Earlier Years		0.00	0.00	0.00	0.00
XI. Profit(Loss) from the period from continuing operations	(IX-X)	<b>76.08</b>	<b>36.26</b>	<b>23.94</b>	<b>21.96</b>
XII. Profit/(Loss) from discontinuing operations		0.00	0.00	0.00	0.00
XIII. Tax expense of discontinuing operations		0.00	0.00	0.00	0.00
XIV. Profit/(Loss) from discontinuing operations after tax	(XII - XIII)	0.00	0.00	0.00	0.00
XV. Profit/(Loss) for the period	(XI + XIV)	<b>76.08</b>	<b>36.26</b>	<b>23.94</b>	<b>21.96</b>
XVI. Earning Per Equity Share:					
(1) Basic		<b>1.52</b>	<b>0.81</b>	<b>2.15</b>	<b>32.29</b>
(2) Diluted		<b>1.52</b>	<b>0.81</b>	<b>2.15</b>	<b>32.29</b>
Significant Accounting Policies	4A				
Reconciliation of Restated Profit & Audit Profit	4B				
Notes forming part of the Financial Statement	5 to 32				
As per our report of even date					

**For GGPS and Associates**  
**Firm Regd. No. 032345N**  
**Chartered Accountants**

**For Citichem India Limited**

Gaurav Gupta  
Partner  
M.No.- 524688  
UDIN - 24524688BKAQKX9916  
Place: Delhi  
Date: 07.06.2024

Arif Merchant  
Director  
DIN - 00500363

Hashim Merchant  
Director  
DIN - 03015945

Annexure - 3: Restated Statement of Cash Flow				
(Amount Rs. In Lakhs)				
Particulars	As At 31st January, 2024	As At 31st March, 2023	As At 31st March, 2022	As At 31st March, 2021
<b>(A) Cash Flow from Operating Activities</b>				
<b>Restated Net Profit Before Tax and Extraordinary items</b>	106.20	50.87	32.20	29.33
<u>Adjustments For:</u>				
Gratuity Provision	0.00	0.00	0.00	0.00
(Interest Received)	0.00	0.00	0.00	0.00
Income-tax/Prior Year Adjustment	0.00	0.00	0.00	0.00
(Profit on sale of fixed assets)	0.00	0.00	0.00	0.00
Interest and Finance Charges Paid	12.95	6.36	8.68	0.00
Depreciation	1.03	1.17	2.21	2.33
<b>Operating profit before working capital changes</b>	120.18	58.40	43.09	31.66
<u>Changes in Working Capital</u>				
(Increase)/Decrease in Trade Receivables	334.86	1,223.05	-	-3,165.93
(Increase)/Decrease in Inventories	837.68	-344.40	-668.56	-850.99
(Increase)/Decrease in Short Term Loans and Advances	0.00	0.00	0.00	0.00
(Increase)/Decrease in Long Term Loans and Advances	0.00	0.00	0.00	0.00
(Increase)/Decrease in Other Current Assets	-9.66	320.40	132.41	-49.98
(Increase)/Decrease in Other Non-current Assets	0.64	-8.32	-0.50	0.00
Increase/(Decrease) in Long Term Provisions	0.00	0.00	0.00	0.00
Increase/(Decrease) in Trade Payables	-1,198.32	-1,231.09	1,178.56	4,079.08
Increase/(Decrease) in other Current liabilities	8.34	9.56	6.31	-15.90
Increase/(Decrease) in Short Term Provisions	0.00	0.00	0.00	0.00
<b>Cash Generated from / (used in) operating activities</b>	93.72	27.59	-589.45	27.94
<b>Less : Income Tax paid</b>	0.00	0.00	-7.63	9.90
<b>Cash Flow before extraordinary items</b>	93.72	27.59	-597.08	37.84
<b>Extraordinary items</b>	0.00	0.00	0.00	0.00
<b>Net cash generated from / (used in) Operating Activities.....A</b>	93.72	27.59	-597.08	37.84
<b>(B) Cash Flow from Investing Activities</b>				
(Increase)/Decrease in Non-Current Investment	0.00	0.00	0.00	1.05
Interest Received	0.00	0.00	0.00	0.00
(Purchase) of Tangible Fixed Assets	0.00	-3.61	-1.05	-3.05
Sale of Tangible Fixed Assets	0.00	0.00	0.00	0.00
<b>Net cash generated from / (used in) Investing Activities.....B</b>	0.00	-3.61	-1.05	-2.00
<b>(C) Cash Flow from financing Activities</b>				
Proceeds from issue of Share Capital	0.00	0.00	493.20	0.00
Increase/(Decrease) in Short Term Borrowings	0.00	0.00	0.00	0.00
Increase/(Decrease) in Long Term Borrowings	-1.44	-0.98	110.62	-37.35
Interest and Finance Charges Paid	-12.95	-6.36	-8.68	0.00
Dividend & tax thereon	0.00	0.00	0.00	0.00
Increase/(Decrease) in Share Application Money	0.00	0.00	0.00	0.00
<b>Net cash generated from / (used in) Financing Activities.....C</b>	-14.39	-7.34	595.14	-37.35
<b>Net increase in cash and cash equivalents (A+B+C)</b>	79.33	16.65	-2.99	-1.50
<b>Cash and cash equivalents at the beginning</b>	19.26	2.61	5.63	7.14
<b>Cash and cash equivalents at the end</b>	98.57	19.26	2.61	5.63
<b>Notes: -</b>				

1) Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.
2) Figures in brackets represents outflows.
3) The above statement should be read with the restated statement of assets and liabilities, statement of profit and loss, Significant Accounting Policies and Notes as appearing in Annexure 1, 2 and 4(A) respectively
As per our report of even date

**For GGPS and Associates**  
**Firm Regd. No. 032345N**  
**Chartered Accountants**

**For Citichem India Limited**

Gaurav Gupta  
Partner  
M.No.- 524688  
UDIN - 24524688BKAQKX9916  
Place: Delhi  
Date: 07.06.2024

Arif Merchant  
Director  
DIN - 00500363

Hashim Merchant  
Director  
DIN - 03015945

## **Annexure 4(A): Significant Accounting Policies and Notes to Accounts as Restated**

### **(A) Corporate Information**

Company was originally incorporated on 18 March 1992 as Citichem Alkalies (Bombay) Limited, then after name of the company was changed to Citichem India Limited under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai, Maharashtra.

The Company is primarily engaged in business of trading & Importers and manufactures of organic, Inorganic, Specialty and food chemicals. Primary deal products caustic soda flaks, caustic SDA lye, soda ash light, acetic acid and mono sodium glutamate etc.

### **(B) Basis of Preparation of Financial Statement**

The Restated Statement of Assets and Liabilities of the Company as on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the financial year / period ended on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 and the annexure thereto (collectively, the “Restated Financial Statements”) have been compiled by the management from the Financial Statements of the Company for the financial year / period ended on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021.

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **(C) Significant Accounting Policies**

#### **1) Use of Estimates:**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed tangible assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### **2) Fixed Assets & Depreciation:**

##### **Tangible Assets:**

All items of fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on fixed assets is provided on pro rata basis as per Written Down Value Method, as specified in Schedule II of the Companies Act, 2013.

**Assets Acquired as Lease:**

Leases under which the Entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

The cost of leasehold land is amortized over the period of the lease. Leasehold improvements and assets acquired on finance lease are amortized over the lease term or useful life, whichever is lower.

**Advances paid towards the acquisition of Property, Plant and Equipment**

Advances paid towards the acquisition of Property, Plant and Equipment, outstanding at each balance sheet date are shown under capital advances. The cost of the Property, Plant and Equipment not ready for its intended use on such date, is disclosed under capital work-in- progress.

**3) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. Impairment loss is charged to the Statement of Profit and Loss in the year / period in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**4) Investments:**

Investments, which are readily realizable and intended to be held for not more than 12 months from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments

**5) Inventories:** The inventories are valued on the following basis:

- a) Raw Materials: Valued at Cost Price or Net Realizable Value whichever is lower.
- b) Finished goods and traded goods: Valued at lower of Cost or Net Realizable Value.

**6) Employee Benefits:**

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

**7) Revenue Recognition:**

Revenue is recognised to the extent, that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Revenue from sale of goods**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, Goods and Service Tax.

**Interest Income**

Interest Income is recognised on a time proportion basis taking into account the amount outstanding and applicable interest rate.

**Dividend Income**

Dividend is recognised when the company's right to receive dividend is established.

**8) Foreign Currency Transaction:**

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year / period are translated at year / period end rates.

The difference in translation of monetary assets and liabilities and realized gains and losses on foreign transactions are recognized in the Statement of Profit and Loss.

The premium or discount on forward exchange contracts is recognized in the statement of profit and loss over the period of the contract.

**9) Taxation**

Tax expenses comprise current tax (amount of tax for the period determined in accordance with the Income Tax Regulations in India) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized

Tax credit is recognised in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income Tax Act, 1961 based on convincing evidence that the Company will pay normal income tax within the statutory time frame and is reviewed at each Balance Sheet date.

**10) Borrowing Cost:**

Borrowing Costs relating to the acquisition/construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charge to revenue.

**11) Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit after tax for the year / period attributable to Equity Shareholders of the Company by the weighted average number of Equity Shares outstanding at the end of the year / period. Diluted earnings per Share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding at the end of the year / period.

## **12) Provisions, Contingent Liabilities & Contingent Assets:**

The company recognizes as provisions, the liability being present obligations arising from past events, the settlement of which is expected to result in outflow of resources and which can be measured only by using a substantial degree of estimation. Contingent liabilities are disclosed by way of a note to the financial statement after careful evaluation by the management of the facts and legal aspect of the matters involved. Contingent assets are being neither recognized nor disclosed.

## **13) Current Assets, Loans And Advances**

The balance under items of Sundry Debtors, Loans and Advances and current liabilities are subject to confirmation and reconciliation and consequential adjustments, wherever applicable. However, in the opinion of the Management, the realisable value of the current assets, loans and advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

## **14) Cash Flow**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

## **15) Segment Reporting**

### *Business Segment*

As the company is dealing in only one segment i.e. trading & Importers and manufactures of organic, inorganic, specialty and food chemicals. hence segment reporting is not applicable. Company does not have distinguishable component of an enterprise that is engaged in providing an individual product or service or group of related product or services and that is subject to risks and returns that are different from those of other business segment.

### *Geographical Segment*

The Company operates in only one geographical area hence segment reporting is not applicable.

## **(D) Changes in Accounting Policies in the Periods/Years Covered In The Restated Financials**

There is no change in significant accounting policies adopted by the Company.

## **(E) NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

- 1) 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 / period.
- 2) The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently, the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.
- 3) The Company has not been following the provisions of Accounting Standard – 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India in respect of recording provision for Gratuity in its Books of



Accounts up to the Financial Year ended on March 31, 2023, March 31, 2022, March 31, 2021 and period ended on January 31, 2024.

- 4) Contingent liabilities and commitments (to the extent not provided for) - A disclosure for a contingent liability is also made when there is a possible obligation that may, require an outflow of the Company's resources.
- 5) Figures have been rearranged and regrouped wherever practicable and considered necessary.
- 6) The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- 7) The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
- 8) Realizations: In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.
- 9) Contractual liabilities: All other contractual liabilities connected with business operations of the Company have been appropriately provided for.
- 10) Amounts in the financial statements: Amounts in the financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.

NOTES TO FINANCIAL STATEMENT				
(Amount Rs. In Lakhs)				
Annexure No. 4(B) RECONCILIATION OF PROFIT & AUDIT PROFIT:				
Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Net Profit / (Loss) After Tax of Audited Statement of Profit & Loss	76.08	36.26	23.94	21.96
Adjustments for:				
Gratuity Provision	0.00	0.00	0.00	0.00
(Short)/Excess Provision for Tax	0.00	0.00	0.00	0.00
Interest on Income tax not debited to P&L	0.00	0.00	0.00	0.00
Interest Income not credited to P&L	0.00	0.00	0.00	0.00
Deferred Tax Liability / Asset Adjustments	0.00	0.00	0.00	0.00
<b>Net Profit / (Loss) after tax as restated</b>	<b>76.08</b>	<b>36.26</b>	<b>23.94</b>	<b>21.96</b>
Explanatory notes to the above restatements made in Audited Financial Statements of the company for the respective years / period				
<b>Adjustments having no impact on Profit:</b>				
Appropriate adjustments have been made in the restated financial statements, wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with regroupings as per the audited financials of the company for all the years and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.				

Annexure No. 4(C) RECONCILIATION OF RESTATED EQUITY / NETWORTH:				
Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Equity / Net Worth as per audited financials	613.27	577.01	59.88	37.90
Adjustments for:				
Difference pertaining to changes in Profit / Loss due to Restated effect for the period covered in Restated Financial	0.00	0.00	0.00	0.00
Prior period adjustments	0.00	0.00	0.00	0.00
<b>Equity / Net Worth as Restated</b>	<b>613.27</b>	<b>577.01</b>	<b>59.88</b>	<b>37.90</b>
Explanatory notes to the above restatements made in the audited financial statements of the Company for the respective years.				
<b>To give Explanatory Notes regarding Adjustments</b>				
Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.				

Annexure No. 5. RESTATED STATEMENT OF SHARE CAPITAL:					
Particulars		As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>1</b>	<b>Authorised Shares: authorized</b>				
	75 Lakhs Equity Shares of Rs.10/- each.	750.00	750.00	500.00	500.00
		750.00	750.00	500.00	500.00
<b>2</b>	<b>Issued, subscribed and fully paid Shares</b>				
	50 Lakhs Equity Shares of Rs.10/- each.	500.00	500.00	500.00	6.80
		500.00	500.00	500.00	6.80
<b>3</b>	<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;</b>				
	<b>Particulars</b>	<b>As at 31<sup>st</sup> January, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
	<b>Equity Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	At the beginning of the period	50,00,000.00	50,00,000.00	68,000.00	68,000.00
	Add: Issued during the period (Bonus Issue)	-	-	-	-
	Add: Issued during the period	-	-	49,32,000.00	-
	Outstanding at the end of the period	50,00,000.00	50,00,000.00	50,00,000.00	68,000.00
<b>4</b>	<b>Terms &amp; Right attached to Equity Shares &amp; Preference shares</b>				
	Equity Shares: The company has only one class of equity shares having a par value of Rs.10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts and payment of preference shareholders, in proportionate to their shareholding.				

5A	Details of Shareholding of Promoters					
	Sr No	Name of Promotor		No of Shares	% of total shares	% change during the year
<b><u>As At 31st March, 2021</u></b>						
	1	Arif Esmail Merchant		55,995	82.35%	0.00%
	2	Fozia Arif Merchant		12,000	17.65%	0.00%
<b><u>As At 31st March, 2022</u></b>						
	1	Arif Esmail Merchant		19,99,996	40.00%	-51.42%
	2	Fozia Arif Merchant		5,00,000	10.00%	-43.33%
	3	Hasim Merchant		20,00,000	40.00%	40.00%
	4	Saima Merchant		5,00,000	10.00%	10.00%
<b><u>As At 31st March, 2023</u></b>						
	1	Arif Esmail Merchant		18,92,496	37.85%	-5.38%
	2	Fozia Arif Merchant		5,00,000	10.00%	0.00%
	3	Hasim Merchant		10,20,000	20.40%	-49.00%
	4	Saima Merchant		5,00,000	10.00%	0.00%
<b><u>As At 31st January, 2024</u></b>						
	1	Arif Esmail Merchant		18,92,496	37.85%	0.00%
	2	Fozia Arif Merchant		5,00,000	10.00%	0.00%
	3	Hasim Merchant		10,20,000	20.40%	0.00%
	4	Saima Merchant		5,00,000	10.00%	0.00%

5B	Details of shareholders holding more than 5% shares in the company (in terms of No. of shares holding)				
	Particulars	As at 31 <sup>st</sup> January, 2024 No. of Shares	As at 31 <sup>st</sup> March, 2023 No. of Shares	As at 31 <sup>st</sup> March, 2022 No. of Shares	As at 31 <sup>st</sup> March, 2021 No. of Shares
	a) Equity Shares, fully paid up:				
	Arif Esmail Merchant	18,92,496	18,92,496	19,99,996	55,995
	Fozia Arif Merchant	5,00,000	5,00,000	5,00,000	12,000
	Hasim Merchant	10,20,000	10,20,000	20,00,000	-
	Saima Merchant	5,00,000	5,00,000	5,00,000	-

5C	Details of shareholders holding more than 5% shares in the company (in terms of % of holding)				
	Particulars	As at 31 <sup>st</sup> January, 2024 % of holding	As at 31 <sup>st</sup> March, 2023 % of holding	As at 31 <sup>st</sup> March, 2022 % of holding	As at 31 <sup>st</sup> March, 2021 % of holding
	a) Equity Shares, fully paid up:				
	Arif Esmail Merchant	37.85%	37.85%	40.00%	82.35%
	Fozia Arif Merchant	10.00%	10.00%	10.00%	17.65%
	Hasim Merchant	20.40%	20.40%	40.00%	0.00%
	Saima Merchant	10.00%	10.00%	10.00%	0.00%
<b>Notes</b>					
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively				

Annexure No. 6. RESTATED STATEMENT OF RESERVE & SURPLUS:					
Sr. No	Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
a)	<b>Reserves and Surplus:</b>				
1	Securities Premium Reserve				
	Opening Balance as per last financial statement	0.00	0.00	0.00	0.00
	Add: During the year	0.00	0.00	0.00	0.00
	Less: Utilised for issuing the Bonus Shares	0.00	0.00	0.00	0.00
	<b>Closing Balance</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
b)	<b>Surplus/(Deficit) in the statement of Profit &amp; Loss</b>				
	Opening Balance	113.27	77.01	53.08	31.12
	Add: Restated Profit/(Loss) for the year	76.08	36.26	23.94	21.96
	<b>LESS:</b>				
	Income-tax Adjustments of earlier years	0.00	0.00	0.00	0.00
	<b>Closing Balance</b>	<b>189.35</b>	<b>113.27</b>	<b>77.01</b>	<b>53.08</b>
	<b>TOTAL: RESERVES AND SURPLUS</b>	<b>189.35</b>	<b>113.27</b>	<b>77.01</b>	<b>53.08</b>
<b>Notes</b>					
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				

Annexure No. 7. RESTATED STATEMENT OF LONG TERM BORROWINGS:					
Sr.No	Particulars	As at 31st January, 2024	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021
1	<b>Secured</b>				
	<u>From Bank/Financial Institutions</u>				
	Term Loan from Indostar Capital	100.60	104.90	107.54	-
	<b>Total</b>	100.60	104.90	107.54	-
2	<b>Unsecured</b>				
	<u>From Promoters / Promoters Group / Group Companies / Other Related Parties</u>				
	<u>Loans from Directors &amp; their relatives</u>				
	Loan from Directors	-	-	-	-
	<b>Total</b>	-	-	-	-
	<b>TOTAL: LONG-TERM BORROWINGS</b>	<b>100.60</b>	<b>104.90</b>	<b>107.54</b>	<b>-</b>

ANNEXURE - 7A: NATURE OF SECURITIES AND TERMS OF REPAYMENT FOR SECURED LONG TERM BORROWINGS INCLUDING CURRENT MATURITIES					
Sr.No	Name of Lender, Nature of Facility, Amount Sanctioned, Rate of Interest & Repayment Terms	Amount Outstanding as at 31.01.2024 (Amount Rs. In Lakhs)	Amount Outstanding as at 31.03.2023 (Amount Rs. In Lakhs)	Amount Outstanding as at 31.03.2022 (Amount Rs. In Lakhs)	Securities offered / Principal terms & conditions
1	Loan against property taken from Indostar Capital Limited during FY 2021-22, sanctioned of Rs. 117.00 Lakhs and carries floating interest @ 12.50 %. The loan is repayable in 180 equated monthly instalments of Rs. 1,44,205 each.	108.21	109.65	110.62	Term loan has been sanctioned against mortgage of following immovable properties in personal name of director and their relatives: 901, C Wing, Al-Raza Tower, Raza CHSL, Parel Sewri, Sewri (West), Mumbai - 400015

Annexure No. 8. RESTATED STATEMENT OF SHORT-TERM BORROWINGS:					
Sr. No	Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1	<u>Current maturities of long-term debt</u>				
	Term Loan - From Indostar Capital Limited	7.61	5.55	3.08	0.00
	<b>TOTAL: SHORT-TERM BORROWINGS</b>	<b>7.61</b>	<b>5.55</b>	<b>3.08</b>	<b>0.00</b>
<b>Notes:</b>					
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				

Annexure No. 9. RESTATED STATEMENT OF TRADE PAYABLES:					
Sr. No	Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021

	<b>Trade Payable for Goods &amp; Services includes</b>				
	Outstanding for less than 1 year				
	(i) Dues of MSME	0.00	0.00	0.00	80.41
	(ii) Dues of Other	1,097.66	1,385.08	4,559.89	4,994.91
	(iii) Disputed Dues of MSME	0.00	0.00	0.00	0.00
	(iv) Disputed Dues of Other	0.00	0.00	0.00	0.00
	Outstanding for 1 to 2 years				
	(i) Dues of MSME	0.00	0.00	0.00	0.00
	(ii) Dues of Other	846.30	2,094.02	1,472.49	1,446.67
	(iii) Disputed Dues of MSME	0.00	0.00	80.41	0.00
	(iv) Disputed Dues of Other	0.00	0.00	0.00	0.00
	Outstanding for 2 to 3 years				
	(i) Dues of MSME	0.00	0.00	0.00	0.00
	(ii) Dues of Other	0.00	3,637.04	2,314.85	727.09
	(iii) Disputed Dues of MSME	0.00	80.41	0.00	0.00
	(iv) Disputed Dues of Other	0.00	0.00	0.00	0.00
	Outstanding for more than 3 years				
	(i) Dues of MSME	0.00	0.00	0.00	0.00
	(ii) Dues of Other	0.00	0.00	0.00	0.00
	(iii) Disputed Dues of MSME	80.41	0.00	0.00	0.00
	(iv) Disputed Dues of Other	3,973.86	0.00	0.00	0.00
	<b>Total Trade Payables</b>	<b>5,998.23</b>	<b>7,196.55</b>	<b>8,427.64</b>	<b>7,249.08</b>
<b>Notes:</b>					
1	The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006.				
2	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
3	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				

<b>Annexure No. 10. RESTATED STATEMENT OF OTHER CURRENT LIABILITIES:</b>					
<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> January, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
1	Other Payables:				
	Statutory liabilities	19.29	23.66	18.89	12.57
	Salary Payable	0.00	0.00	0.00	0.00
	Other Liabilities	17.50	4.79	0.00	0.00
	<b>TOTAL: OTHER CURRENT LIABILITIES</b>	<b>36.80</b>	<b>28.45</b>	<b>18.89</b>	<b>12.57</b>
<b>Notes:</b>					
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				

<b>Annexure No. 11. RESTATED STATEMENT OF SHORT TERM PROVISIONS:</b>					
<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31<sup>st</sup> January, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
1	Provision for employee benefits				
	Provision for Gratuity	0.00	0.00	0.00	0.00
2	Others:				
	Provision for Taxation	54.61	24.61	8.52	7.63
	<b>TOTAL: SHORT-TERM PROVISIONS</b>	<b>54.61</b>	<b>24.61</b>	<b>8.52</b>	<b>7.63</b>
<b>Notes:</b>					
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				

<b>Annexure No. 12. RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT:</b>					
	<b>Particulars</b>	<b>As at 31<sup>st</sup> January, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
<b>1</b>	<b>Vehicles</b>				
	Gross Block Opening Balance	3.40	0.00	0.00	0.00
	Addition during the year	0.00	3.40	0.00	0.00
	Reduction/adjustment during the year	0.00	0.00	0.00	0.00
	<b>Gross Block Closing Balance.....A</b>	<b>3.40</b>	<b>3.40</b>	<b>0.00</b>	<b>0.00</b>
	Opening Accumulated Depreciation	0.09	0.00	0.00	0.00
	Depreciation charged during the year	0.28	0.09	0.00	0.00
	Reduction / Adj during the year	0.00	0.00	0.00	0.00
	<b>Accumulated Depreciation (Closing Balance).....B</b>	<b>0.36</b>	<b>0.09</b>	<b>0.00</b>	<b>0.00</b>
	<b>Net Block (A-B)</b>	<b>3.04</b>	<b>3.32</b>	<b>0.00</b>	<b>0.00</b>
<b>2</b>	<b>Furniture &amp; Fixture</b>				
	Gross Block Opening Balance	5.58	7.22	7.63	7.33
	Addition during the year	0.00	0.21	0.00	0.30
	Reduction/adjustment during the year	0.00	-1.85	0.41	0.00
	<b>Gross Block Closing Balance.....A</b>	<b>5.58</b>	<b>5.58</b>	<b>7.22</b>	<b>7.63</b>
	Opening Accumulated Depreciation	1.68	3.38	1.90	0.00
	Depreciation charged during the year	0.41	0.56	1.48	1.90
	Reduction / Adj during the year	0.00	-2.26	0.00	0.00
	<b>Accumulated Depreciation (Closing Balance).....B</b>	<b>2.08</b>	<b>1.68</b>	<b>3.38</b>	<b>1.90</b>
	<b>Net Block (A-B)</b>	<b>3.49</b>	<b>3.90</b>	<b>3.84</b>	<b>5.73</b>
<b>3</b>	<b>Office Equipments</b>				
	Gross Block Opening Balance	4.56	4.41	3.62	0.88
	Addition during the year	0.00	0.00	0.78	2.75
	Reduction/adjustment during the year	0.00	0.15	0.00	0.00
	<b>Gross Block Closing Balance.....A</b>	<b>4.56</b>	<b>4.56</b>	<b>4.41</b>	<b>3.62</b>
	Opening Accumulated Depreciation	1.54	0.00	0.00	0.00
	Depreciation charged during the year	0.35	0.53	0.64	0.40
	Reduction / Adj during the year	0.00	1.02	0.00	0.00
	<b>Accumulated Depreciation (Closing Balance).....B</b>	<b>1.89</b>	<b>1.54</b>	<b>0.64</b>	<b>0.40</b>
	<b>Net Block (A-B)</b>	<b>2.66</b>	<b>3.01</b>	<b>3.77</b>	<b>3.22</b>
<b>4</b>	<b>Computer &amp; Data Processing Unit</b>				
	Gross Block Opening Balance	0.00	0.00	0.00	0.00
	Addition during the year	0.00	0.00	0.26	0.00
	Reduction/adjustment during the year	0.00	0.00	0.00	0.00
	<b>Gross Block Closing Balance.....A</b>	<b>0.00</b>	<b>0.00</b>	<b>0.26</b>	<b>0.00</b>
	Opening Accumulated Depreciation	0.00	0.00	0.00	0.00

<b>Annexure No. 12. RESTATED STATEMENT OF PROPERTY, PLANT AND EQUIPMENT:</b>					
	<b>Particulars</b>	<b>As at 31<sup>st</sup> January, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
	Depreciation charged during the year	0.00	0.00	0.09	0.03
	Reduction / Adj during the year	0.00	0.00	0.00	0.00
	<b>Accumulated Depreciation (Closing Balance).....B</b>	0.00	0.00	0.09	0.00
	<b>Net Block (A-B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.17</b>	<b>0.00</b>
Total	Gross Block Opening Balance	13.53	11.62	11.25	8.20
Total	Addition during the year	0.00	3.61	1.05	3.05
Total	Reduction/adjustment during the year	0.00	-1.70	0.41	0.00
<b>Total</b>	<b>Gross Block Closing Balance.....A</b>	<b>13.53</b>	<b>13.53</b>	<b>11.89</b>	<b>11.25</b>
Total	Opening Accumulated Depreciation	3.31	3.38	1.90	0.00
<b>Total</b>	<b>Depreciation charged during the year</b>	<b>1.03</b>	<b>1.17</b>	<b>2.21</b>	<b>2.33</b>
Total	Reduction / Adj during the year	0.00	-1.24	0.00	0.00
<b>Less :Total</b>	<b>Accumulated Depreciation (Closing Balance).....B</b>	<b>4.34</b>	<b>3.31</b>	<b>4.11</b>	<b>2.30</b>
<b>Total</b>	<b>Net Block (A-B)</b>	<b>9.20</b>	<b>10.23</b>	<b>7.78</b>	<b>8.95</b>
<b>Notes:</b>					
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				

Annexure No. 13. RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS:					
Particulars		As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Security Deposits:					
Unsecured, considered good;		10.88	11.51	3.19	2.69
TOTAL: OTHER NON-CURRENT ASSETS		10.88	11.51	3.19	2.69
Notes:					
1	None of the long-term loans and advances as stated above are recoverable from Directors/ Promoters/ Promoter group /Associates/ Relatives of Directors/ Group company.				
2	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.				
3	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				

Annexure No. 14. RESTATED STATEMENT OF INVENTORIES:				
Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
- Traded goods - API and Chemical Goods	3,639.57	4,477.24	4,132.84	3,464.28
<b>TOTAL</b>	<b>3,639.57</b>	<b>4,477.24</b>	<b>4,132.84</b>	<b>3,464.28</b>

<b>Notes: -</b>	
1	Finished goods are valued at lower of cost or net realisable value on FIFO method. Cost includes purchase value, freight, proportionate manufacturing expense, wages & salary to employees, duties and taxes.
2	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.
3	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.



Annexure No. 15. RESTATED STATEMENT OF TRADE RECEIVABLES:				
Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Outstanding for less than 1 year				
(i) Undisputed trade receivable - considered good	375.88	827.98	2,158.58	3,184.74
(ii) Undisputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
(iii) Disputed trade receivable - considered good	0.00	0.00	0.00	0.00
(iv) Disputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
Outstanding for 1 to 2 years				
(i) Undisputed trade receivable - considered good	125.56	2,471.00	2,480.09	116.01
(ii) Undisputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
(iii) Disputed trade receivable - considered good	0.00	0.00	0.00	0.00
(iv) Disputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
Outstanding for 2 to 3 years				
(i) Undisputed trade receivable - considered good	0.00	119.51	1.26	58.41
(ii) Undisputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
(iii) Disputed trade receivable - considered good	2,582.19	0.00	0.00	0.00
(iv) Disputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
Outstanding for more than 3 years				
(i) Undisputed trade receivable - considered good	0.00	0.00	0.00	0.00
(ii) Undisputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
(iii) Disputed trade receivable - considered good	0.00	0.00	0.00	0.00
(iv) Disputed trade receivable - considered doubtful	0.00	0.00	0.00	0.00
<b>TOTAL: TRADE RECEIVABLES</b>	<b>3,083.63</b>	<b>3,418.49</b>	<b>4,639.93</b>	<b>3,359.16</b>
<b>Notes: -</b>				
1	As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts have not been made.			
2	Trade Receivable as on March 31, 2023, has been taken as certified by the management of the company.			
3	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.			
4	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			
Annexure No. 16. RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS:				
Particulars	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
1)Balance With Banks:				
In Current Account	16.54	15.14	0.44	1.67
2)Cash on Hand	82.03	4.12	2.17	3.96
<b>TOTAL: CASH AND CASH EQUIVALENTS</b>	<b>98.57</b>	<b>19.26</b>	<b>2.61</b>	<b>5.63</b>
<b>Notes: -</b>				
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

<b>Annexure No. 18. RESTATED STATEMENT OF OTHER CURRENT ASSETS:</b>				
<b>Particulars</b>	<b>As at 31<sup>st</sup> January, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
<b>Unsecured, considered good unless stated otherwise</b>				
<b>Other Assets:</b>				
1)Advance payment of Income tax (Net of Provisions)	0.00	0.00	0.00	9.90
2)Pre-paid Expense	0.00	0.00	0.00	0.00
3)Balances with Govt. Authorities	45.04	35.38	355.78	488.20
<b>TOTAL: OTHER CURRENT ASSETS</b>	<b>45.04</b>	<b>35.38</b>	<b>355.78</b>	<b>488.20</b>
<b>Notes: -</b>				
1	The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

Annexure No. 19. RESTATED STATEMENT OF REVENUE FROM OPERATIONS						
(Amount Rs. In Lakhs)						
Particulars		Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21	
Sales of Products						
Finished Goods Sold during the year		1,498.25	2,094.07	8,521.64	18,016.73	
		1,498.25	2,094.07	8,521.64	18,016.73	
Other Operating Revenue		0.00	0.00	0.00	0.00	
		0.00	0.00	0.00	0.00	
TOTAL: REVENUE FROM OPERATIONS		1,498.25	2,094.07	8,521.64	18,016.73	
Details of Sales of Products:						
API and Chemicals		1,498.25	2,094.07	8,521.64	18,016.73	
Total		1,498.25	2,094.07	8,521.64	18,016.73	
Notes:						
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.					
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.					
3	Bifurcation of domestic and export sales are as under:					
	Sr No	Country	Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21
	1	India	1,498.25	2,094.07	8,521.64	18,016.73
	2	Out of India	0.00	0.00	0.00	0.00

<b>ANNEXURE NO. 20. RESTATED STATEMENT OF OTHER INCOME:</b>				
<b>(Amount Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>Upto 31<sup>st</sup> January, 2024</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
Exchange Rate Difference	0.00	0.00	0.00	0.77
Rebate and Discounts	0.00	0.00	6.37	10.29
<b>TOTAL: OTHER INCOME</b>	<b>0.00</b>	<b>0.00</b>	<b>6.37</b>	<b>11.06</b>
<b>Notes:</b>				
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

<b>Annexure No. 21. RESTATED STATEMENT OF PURCHASES OF STOCK-IN-TRADE</b>				
<b>(Amount Rs. In Lakhs)</b>				

Particulars	Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21
Trading Goods	425.11	2,250.48	9,033.24	18,671.77
Less : Purchase Return	0.00	0.00	0.00	0.00
<b>TOTAL:</b>	<b>425.11</b>	<b>2,250.48</b>	<b>9,033.24</b>	<b>18,671.77</b>
<b>Particulars of Purchases of Stock in Trade</b>				
API and Chemicals	425.11	2,250.48	9,033.24	18,671.77

**Annexure No. 22. RESTATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:**

(Amount Rs. In Lakhs)				
Particulars	Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21
<b>Inventories at the end of the year</b>				
Traded Good	3,639.57	4,477.24	4,132.84	3,464.28
<b>Inventories at the beginning of the year</b>				
Traded Good	4,477.24	4,132.84	3,464.28	2,613.28
<b>TOTAL CHANGE (Net)</b>	<b>837.68</b>	<b>-344.40</b>	<b>-668.56</b>	<b>-850.99</b>
<b>Notes:</b>				
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

**Annexure No. 23. RESTATED STATEMENT OF EMPLOYEE BENEFIT EXPENSE:**

(Amount Rs. In Lakhs)				
Particulars	Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21
Salary and Wages	10.73	35.74	31.27	24.09
Remuneration to Directors	45.00	27.00	21.32	21.00
Staff welfare expenses	1.72	0.70	0.00	0.02
<b>TOTAL: EMPLOYEE BENEFITS EXPENSE</b>	<b>57.45</b>	<b>63.44</b>	<b>52.59</b>	<b>45.12</b>
<b>Notes:</b>				
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

**Annexure No. 24. RESTATED STATEMENT OF FINANCE COSTS:**

(Amount Rs. In Lakhs)				
Particulars	Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21
Interest paid	12.71	5.70	8.68	0.00
Bank charges & Processing Fees	0.24	0.66	1.61	0.33
<b>TOTAL: FINANCE COSTS</b>	<b>12.95</b>	<b>6.36</b>	<b>10.30</b>	<b>0.33</b>
<b>Notes:</b>				
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

<b>Annexure No. 25. RESTATED STATEMENT OF DEPRECIATION AND AMORTIZATION EXPENSE:</b>				
<b>(Amount Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>Upto 31<sup>st</sup> January, 2024</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
Depreciation on tangible assets	1.03	1.17	2.21	2.33
<b>TOTAL: DEPRECIATION AND AMORTIZATION EXPENSES</b>	<b>1.03</b>	<b>1.17</b>	<b>2.21</b>	<b>2.33</b>
<b>Notes:</b>				
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

<b>Annexure No. 26. RESTATED STATEMENT OF OTHER EXPENSES:</b>				
<b>(Amount Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>Upto 31<sup>st</sup> January, 2024</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
<b>Administrative Expenses</b>				
Auditors Remuneration	0.00	0.25	0.25	0.25
Commission Expenses	0.00	0.00	3.48	8.50
Office expense	11.86	23.95	43.24	5.47
Rent Expense	1.25	8.50	15.67	45.59
Business Development and Other Expenses	3.49	7.14	2.31	70.10
Legal & Professional Fees	41.23	26.32	1.08	0.00
<b>TOTAL: OTHER EXPENSES</b>	<b>57.82</b>	<b>66.16</b>	<b>66.03</b>	<b>129.91</b>
<b>Payment to Auditor includes</b>				
Statutory Audit Fees	0.00	0.25	0.25	0.25
Other Fees	0.00	0.00	0.00	0.00
<b>Expenditure in Foreign Currency</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Notes:</b>				
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

<b>Annexure No. 27. RESTATED STATEMENT OF DEFERRED TAX:</b>				
<b>(Amount Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>Upto 31<sup>st</sup> January, 2024</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
Gross Deferred tax asset	0.29	0.41	0.52	0.26
Gross Deferred tax liability	0.00	0.00	0.00	0.00
Op. balance of Net Deferred tax asset / liability	0.41	0.52	0.26	0.00
<b>NET DEFERRED TAX :</b>	<b>0.12</b>	<b>0.11</b>	<b>-0.26</b>	<b>-0.26</b>
<b>Notes:</b>				
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.			
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.			

<b>Annexure No. 28. RESTATED STATEMENT OF CONTINGENT LIABILITIES:</b>				
<b>(Amount Rs. In Lakhs)</b>				

Particulars		Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21
<u>Contingent liabilities in respect of:</u>					
1	Claims against the company not acknowledged as debts	11.05	11.05	0.00	0.00
2	Bank Gaurantee issued by bank	0.00	0.00	0.00	0.00
3	Bills discounted from bank	0.00	0.00	0.00	0.00
4	Letter of credit outstanding	0.00	0.00	0.00	0.00
<b>Notes:</b>					
1	The figures disclosed above are based on the restated standalone statement of profit & loss of the Company.				
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.				
3	The company has received order u/s. 143(3) read with section 144B of the Income tax Act from Assessment Unit of Income Tax Department dated 22 March 2024 wherein demand of Rs. 21,33,56,160 has been raised against the company. The assessment order was passed without considering full submissions of the company and therefore company is contemplating to prefer an appeal before the appellate authorities.				
4	The company has system of providing accumulating compensating absences non-vesting and hence no provision is made in the books of accounts for the leaves.				

**Annexure No. 29. RESTATED STATEMENT OF ACCOUNTING RATIOS:**

<b>(Amount Rs. In Lakhs)</b>				
<b>Particulars</b>	<b>Upto 31<sup>st</sup> January, 2024</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
Revenue from Operations <sup>(1)</sup>	1,498.25	2,094.07	8,521.64	18,016.73
Total Revenue	1,498.25	2,094.07	8,528.00	18,027.79
Cost of Goods sold	1,262.79	1,906.07	8,364.67	17,820.78
EBITDA <sup>(2)</sup>	120.18	58.40	44.71	31.99
EBITDA Margin (%) <sup>(3)</sup>	8.02%	2.79%	0.52%	0.18%
PAT	76.08	36.26	23.94	21.96
PAT Margin (%) <sup>(4)</sup>	5.08%	1.73%	0.28%	0.12%
Trade Receivables days <sup>(5)</sup>	751.23	595.85	198.74	68.05
Inventory days <sup>(6)</sup>	1,051.99	857.36	180.34	70.95
Trade Payable days <sup>(7)</sup>	1,733.74	1,378.09	367.75	148.47
Return on equity (%) <sup>(8)</sup>	11.04	5.91	4.15	36.67
Return on capital employed (%) <sup>(9)</sup>	15.05	7.89	5.97	48.98
Debt-Equity Ratio (times) <sup>(10)</sup>	0.16	0.18	0.19	-
Current Ratio (times) <sup>(11)</sup>	1.13	1.10	1.08	1.01
<b>Notes:</b>				
<i>(1) Revenue from operation means revenue from sale of the products</i>				
<i>(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs</i>				
<i>(3) EBITDA Margin is calculated as EBITDA divided by Total Revenue</i>				
<i>(4) PAT Margin is calculated as PAT for the period/year divided by Total Revenue</i>				
<i>(5) Trade receivable days is calculated as average trade receivables divided by Total Revenue multiplied by 365 for fiscal years</i>				
<i>(6) Inventory days is calculated as average inventory divided by cost of goods sold multiplied by 365 for fiscal years.</i>				
<i>(7) Trade payable days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress</i>				
<i>(8) Return on Equity is calculated by comparing the proportion of net income against the amount of shareholder equity</i>				
<i>(9) Return on Capital Employed is calculated as follows: Profit for the period/ year plus finance cost plus tax expenses (EBIT) divided by Total Assets-Current Liabilities</i>				
<i>(10) Debt to Equity ratio is calculated as Total Debt divided by equity</i>				
<i>(11) Current Ratio is calculated by dividing Current assets to Current Liabilities</i>				

**Annexure No. 30. RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS:**

Name	Relation	Nature of Transaction	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Arif Merchant	Director	Director's Remuneration	25.00	12.00	9.00	9.00
Hashim Merchant	Director	Director's Remuneration	20.00	15.00	12.32	12.00
HM Megabrand Private Limited	Significant Interest held by Director	Purchase of goods	515.83	479.44	482.75	1,820.02
		Sales of goods	0.00	683.81	0.00	9.63
		Closing balance-Trade Payable	2,267.76	1,844.85	0.00	0.00
		Closing balance-Trade Receivables	0.00	0.00	2,405.61	2,053.59
General Chemical Industries	Proprietor is father of Director	Purchase of goods	0.00	669.02	737.51	99.91
		Sales of goods	0.00	0.00	0.00	0.00
		Closing balance-Trade Payable	189.00	203.15	0.00	0.00
		Closing balance-Trade Receivables	0.00	0.00	0.00	0.00
HM Enterprises	Significant Interest held by Director	Purchase	0.00	19.89	0.00	284.11
		Sales of goods	0.00	0.00	0.00	0.00
		Loan	0.00	0.00	0.00	0.00
		Closing balance-Trade Payable	472.23	355.30	0.00	368.49
		Closing balance-Receivable	0.00	0.00	7.56	0.00
Saima Marchant	Relative of Director	Salary	0.00	12.00	12.00	12.00
Fozia Merchant	Relative of Director	Salary	0.00	9.00	9.00	9.00
		Rent	0.00	3.00	3.00	3.00
Reliable industries L LP	Significant Interest held by Director	Closing balance	0.00	0.00	0.00	0.00
<b>Notes:</b>						
1	The figures disclosed above are based on the restated standalone statement of assets and liabilities of the Company.					
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.					

Name	Relation	Nature of Transaction	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
3	List Company/entity owned or significantly influenced by directors, Key Management Personnels and Relative of Key Management Personnels have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.					

Annexure No. 32. RESTATED STATEMENT OF TAX SHELTER:					
(Amount Rs. In Lakhs)					
	Particulars	Upto 31 <sup>st</sup> January, 2024	2022-23	2021-22	2020-21
<b>A</b>	Profit before taxes as restated	106.20	50.87	32.20	29.33
<b>B</b>	Normal Corporate Tax Rate (%)	26.00%	26.00%	26.00%	26.00%
<b>C</b>	MAT Rate (%)		15.60%	15.60%	15.60%
	<b>Adjustments:</b>				
<b>D</b>	<b>Permanent Differences</b>				
	Expenses Disallowed under the Income Tax Act, 1961	0.00	0.00	0.00	0.00
	Interest on Income Tax	0.00	0.00	0.00	0.00
	Donation	0.00	0.00	0.00	0.00
	<b>Total Permanent Differences</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>E</b>	<b>Income Considered Separately</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>F</b>	<b>Timing Difference</b>				
	Depreciation as per Books	1.50	1.17	2.21	2.33
	Depreciation as per Income Tax	1.16	1.43	1.62	2.30
	Gratuity	0.00	0.00	0.00	0.00
	<b>Total Timing Differences</b>	<b>0.34</b>	<b>-0.26</b>	<b>0.59</b>	<b>0.03</b>
<b>G</b>	<b>Net Adjustment (D+E+F)</b>	<b>0.34</b>	<b>-0.26</b>	<b>0.59</b>	<b>0.03</b>
<b>H</b>	<b>Tax Expenses / (Saving) thereon (G x B)</b>	<b>0.09</b>	<b>-0.07</b>	<b>0.15</b>	<b>0.01</b>
<b>I</b>	<b>Income from other sources</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>J</b>	<b>Exempt Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>K</b>	<b>Income / (Loss) (A+G+I-J)</b>	<b>106.54</b>	<b>50.60</b>	<b>32.79</b>	<b>29.36</b>
<b>L</b>	Brought Forward Loss Set off				
	- Ordinary Business Loss	0.00	0.00	0.00	0.00
	- Long Term Capital Loss	0.00	0.00	0.00	0.00
	- Unabsorbed Depreciation	0.00	0.00	0.00	0.00
	<b>Total (L)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>M</b>	Allowable Deduction under the Income Tax Act	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>N</b>	Profit/(Loss) as per Income tax (K-L)	106.54	50.60	32.79	29.36
<b>O</b>	Tax as per Normal Provision	27.70	13.16	8.53	7.63
<b>P</b>	MAT Credit Utilized	0.00	0.00	0.00	0.00
<b>Q</b>	<b>Tax Liability, After Considering the effect of MAT Credit (O-P)</b>	27.70	13.16	8.53	7.63
<b>R</b>	Book Profit as per MAT	106.20	50.87	32.20	29.33
<b>S</b>	Tax liability as per MAT (R x C)	0.00	7.94	5.02	4.58
	Current tax being higher of 'O' or 'S'	27.70	13.16	8.53	7.63
	Loss to be carried forward	0.00	0.00	0.00	0.00
	MAT credit entitlement	0.00	0.00	0.00	0.00
	Total Tax as per Return of Income (Before interest under section 234A, B and C of the Income Tax Act, 1961)		(Note-3)	(Note-3)	1.07
<b>T</b>	<b>Tax paid as per 'MAT' or 'Normal Provision'</b>	<b>Normal Provision</b>	<b>Normal Provision</b>	<b>Normal Provision</b>	<b>Normal Provision</b>
<b>Notes:</b>					
1	The aforesaid statement of tax shelters has been prepared as per the restated standalone statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return of the respective years stated above. The changes in the tax				



	liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc. has been adjusted in the tax liability of the year to which the liability pertains.
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.
3.	As the Income Tax return cannot be filed by the Company for the period of January 31, 2024, the actual tax payment in Income tax return filed by the company cannot be determined.

## OTHER FINANCIAL INFORMATION

The accounting ratios derived from our Restated Financial Information are given below:

RESTATED STATEMENT OF ACCOUNTING RATIOS:				
(Amount Rs. In Lakhs)				
Particulars	Upto 31 <sup>st</sup> January, 2024*	2022-23	2021-22	2020-21
Revenue from Operations <sup>(1)</sup>	1,498.25	2,094.07	8,521.64	18,016.73
Total Revenue	1,498.25	2,094.07	8,528.00	18,027.79
Cost of Goods sold	1,262.79	1,906.07	8,364.67	17,820.78
EBITDA <sup>(2)</sup>	120.18	58.40	44.71	31.99
EBITDA Margin (%) <sup>(3)</sup>	8.02%	2.79%	0.52%	0.18%
PAT	76.08	36.26	23.94	21.96
PAT Margin (%) <sup>(4)</sup>	5.08%	1.73%	0.28%	0.12%
Trade Receivables days <sup>(5)</sup>	751.23	595.85	198.74	68.05
Inventory days <sup>(6)</sup>	1,051.99	857.36	180.34	70.95
Trade Payable days <sup>(7)</sup>	1,733.74	1,378.09	367.75	148.47
Return on equity (%) <sup>(8)</sup>	11.04	5.91	4.15	36.67
Return on capital employed (%) <sup>(9)</sup>	15.05	7.89	5.97	48.98
Debt-Equity Ratio (times) <sup>(10)</sup>	0.16	0.18	0.19	-
Current Ratio (times) <sup>(11)</sup>	1.13	1.10	1.08	1.01
<b>Notes:</b>				
(1) Revenue from operation means revenue from sale of the products				
(2) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs				
(3) EBITDA Margin is calculated as EBITDA divided by Total Revenue				
(4) PAT Margin is calculated as PAT for the period/year divided by Total Revenue				
(5) Trade receivable days is calculated as average trade receivables divided by Total Revenue multiplied by 365 for fiscal years				
(6) Inventory days is calculated as average inventory divided by cost of goods sold multiplied by 365 for fiscal years.				
(7) Trade payable days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for fiscal years. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress				
(8) Return on Equity is calculated by comparing the proportion of net income against the amount of shareholder equity				
(9) Return on Capital Employed is calculated as follows: Profit for the period/ year plus finance cost plus tax expenses (EBIT) divided by Total Assets-Current Liabilities				
(10) Debt to Equity ratio is calculated as Total Debt divided by equity				
(11) Current Ratio is calculated by dividing Current assets to Current Liabilities				

\* Not annualised.

The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) a Prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor Lead Manager, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 - Related Party Disclosures, read with the SEBI ICDR Regulations for the Ten Months Period ended January 31, 2024, and the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021 and as reported in the Restated Financial Information, see '*Restated Financial Information – Notes to Restated Financial Information – Notes to Accounts: 32. Related Party Disclosure*' on page 167 of this Draft Prospectus.

Name	Relation	Nature of Transaction	As at 31 <sup>st</sup> January, 2024	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Arif Merchant	Director	Director's Remuneration	25.00	12.00	9.00	9.00
Hashim Merchant	Director	Director's Remuneration	20.00	15.00	12.32	12.00
HM Megabrand Private Limited	Significant Interest held by Director	Purchase of goods	515.83	479.44	482.75	1,820.02
		Sales of goods	0.00	683.81	0.00	9.63
		Closing balance-Trade Payable	2,267.76	1,844.85	0.00	0.00
		Closing balance-Trade Receivables	0.00	0.00	2,405.61	2,053.59
General Chemical Industries	Proprietor is father of Director	Purchase of goods	0.00	669.02	737.51	99.91
		Sales of goods	0.00	0.00	0.00	0.00
		Closing balance-Trade Payable	189.00	203.15	0.00	0.00
		Closing balance-Trade Receivables	0.00	0.00	0.00	0.00
HM Enterprises	Significant Interest held by Director	Purchase	0.00	19.89	0.00	284.11
		Sales of goods	0.00	0.00	0.00	0.00
		Loan	0.00	0.00	0.00	0.00
		Closing balance-Trade Payable	472.23	355.30	0.00	368.49
		Closing balance-Receivable	0.00	0.00	7.56	0.00
Saima Marchant	Relative of Director	Salary	0.00	12.00	12.00	12.00
Fozia Merchant	Relative of Director	Salary	0.00	9.00	9.00	9.00
		Rent	0.00	3.00	3.00	3.00
Reliable industries L LP	Significant Interest held by Director	Closing balance	0.00	0.00	0.00	0.00
<b>Notes:</b>						

<b>Name</b>	<b>Relation</b>	<b>Nature of Transaction</b>	<b>As at 31<sup>st</sup> January, 2024</b>	<b>As at 31<sup>st</sup> March, 2023</b>	<b>As at 31<sup>st</sup> March, 2022</b>	<b>As at 31<sup>st</sup> March, 2021</b>
1	The figures disclosed above are based on the restated standalone statement of assets and liabilities of the Company.					
2	The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.					
3	List Company/entity owned or significantly influenced by directors, Key Management Personnels and Relative of Key Management Personnels have been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.					

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at January 31, 2024 derived from our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled '*Risk Factors*', '*Financial Information*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*', on pages 26, 140, and 175, respectively.

(Rs in Lakhs, unless otherwise stated)

Particulars	Pre-Offer as at January 31, 2024	As adjusted for the proposed Issue
<b>Total Borrowings</b>		
Short Term Debt	5.55	[●]
Long Term Debt	109.65	[●]
<b>Total Borrowings (A)</b>	<b>115.20</b>	<b>[●]</b>
<b>Total Equity</b>		
Equity share capital	500.00	[●]
Other equity	113.27	[●]
<b>Total Equity/ Total shareholders' fund (net worth) (B)</b>	<b>613.27</b>	<b>[●]</b>
<b>Long Term Debt (A)/ Total Equity</b>	0.18:1	[●]
<b>Total Borrowings (A)/ Total Equity</b>	0.19:1	[●]
<b>Notes:</b>		
1. Short term Debts represent the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.		
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under "Other Current Liabilities".		
3. The figures disclosed above are based on restated standalone statement of Assets and Liabilities of the Company as at 30th September, 2022.		
4. The above statement should be read with the restated standalone statement of assets and liabilities, restated standalone statement of profit and loss, restated standalone statement of cash flow, significant accounting policies and notes to restated summary statements as appearing in Annexures 1, 2, 3 and 4(A) respectively.		

## FINANCIAL INDEBTEDNESS

Except as disclosed below, our Company does not have any outstanding borrowings. For details regarding the borrowing powers of our Board, see '*Our Management – Borrowing powers of the Board*' on page 122 of this Draft Prospectus.

Nature of Borrowings	Amount (₹ in Lakhs)
<b>Secured borrowings</b>	
Loan against property	108.20
<b>Unsecured borrowings</b>	
Banks and NBFC	-
From Directors & Relatives	-
<b>TOTAL</b>	<b>108.20</b>

### Details of Secured Loans

Name of lenders	Type of loans	Date of sanction	Amount sanctioned (₹ in lakhs)	Amount outstanding as on January 31, 2024 (₹ in lakhs)	Tenure
Indostar Capital Finance Limited	Loan against property	July 31, 2021	₹ 117.00	₹ 108.20	180 Months
<b>TOTAL</b>			<b>₹ 117.00</b>	<b>₹ 108.20</b>	108.20

Sr. No.	Name of Lender, Nature of Facility, Amount Sanctioned, Rate of Interest & Repayment Terms	Securities offered / Principal terms & conditions
1	Indostar Capital Finance Limited Nature of Loan – Loan against property Rate of Interest - 12.50% p.a. Repayment Term - EMI - 180 months Amount Sanction - Rs. 117 lacs Date of Sanction : 31/07/2021	Family Property at 901, C Wing, Al-Raza Tower, Raza CHSL, Parel Sewri, Sewri (West), Mumbai - 400015

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial year ended March 31, 2021, March 31, 2022, March 31, 2023 and stub period ended January 31, 2024. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled 'Financial Statements' and the chapter titled 'Financial Information' on 140 of the Draft Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled 'Risk Factors' on page 26 of this Draft Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled 'Forward-Looking Statements' on page 18 of this Draft Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12- month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to 'we', 'us' or 'our' refers to Citichem India Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Year ended on 31<sup>st</sup> March 2023 and stub period thereon, included in this Draft Prospectus beginning on page 140 of this Draft Prospectus.*

### BUSINESS OVERVIEW

Our Company was originally incorporated as 'Citichem Alkalies (Bombay) Private Limited' on March 18, 1992, under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Mumbai, by our promoter Mr. Arif Merchant and his family members. Thereafter, Our Company was converted into a public company pursuant to a special resolution passed by our shareholders at the EGM held on December 12, 2016, and consequently the word private was deleted and the name was changed to 'Citichem Alkalies (Bombay) Limited' vide fresh certificate of incorporation dated January 15, 2017 issued by Registrar of Companies, Mumbai. Subsequently the name of the company was changed from Citichem Alkalies (Bombay) Limited to Citichem India Limited under the Companies Act, 1956 pursuant to a special resolution passed by our shareholders at the EOGM held on 24/3/1999 and vide certificate of incorporation dated December 17, 2016, issued by the Registrar of Companies, Mumbai. The CIN of the Company is **U24100MH1992PLC065975**. For details of the changes in our name and registered office, please refer to the chapter titled '**History and Certain Corporate Matters**' beginning on page 119 of this Draft Prospectus.

We are mainly engaged in the buying, procuring, and supplying, of organic and inorganic chemicals, bulk drugs, and, food chemicals to pharmaceutical industry. The traded speciality chemicals and intermediates have a wide application in aluminium, steel, textiles, paper, dairy, paints, dyes & intermediates, soap making, pharma, food and adhesive Industry. Our Company also supplies food preventives and chemicals under its own brand name which is thereafter converted into sales in their own books by the distribution team who ensures safe delivery of bulk supply. The said works are primarily sourced through our leased Registered Office located at 7, Floor 1, Plot No 96, Dhram Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai - 400003, Maharashtra, India.

With the combined experience of our Promoters for over 25 years with their expertise in sourcing, negotiating, procuring, and supplying of organic, and inorganic chemicals to the pharmaceutical industry, and with the existing long-standing clientele, our Company aims to further expand, and diversify their procurement sources and achieve growth by multiplying the supply chain of the chemicals to the said industry. Our Promoters have a clear vision about the strong growth prospects with a view of the expanding their market size in India year on year basis.

For detailed information on the business of our Company please refer to '**Our Business**' beginning on page numbers 103 of this Draft Prospectus.

### SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD

As per mutual discussion between the Board of the Company and Lead Manager, in the opinion of the Board of the Company there havenot arisen any circumstances since the date of the last financial statements as disclosed in this Draft Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The authorized capital of the Company has been increased from 500 Lakhs to 750 Lakhs
- The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra Ordinary General Meeting held on Wednesday 24<sup>th</sup> April, 2024 authorized the proposed Initial Public Offering;
- Our Company has constituted an Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee vide a resolution passed at its board meeting held on Thursday 16<sup>th</sup> February 2023, in accordance with and as per the applicable provisions of Companies Act, 2013;

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled '*Risk Factor*' beginning on page 26 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Government support and spending on Chemical industry;
- Company's ability to adopt the changing technology in industry;
- Impact of COVID-19;
- Cost and availability of raw materials;
- Company's results of operations and financial performance;
- Performance of Company's competitors;
- Significant developments in India's economic and fiscal policies;
- Failure to adapt to the changing needs of industry and in particular chemical industry may adversely affect our business and financial condition;
- Volatility in the Indian and global capital market;
- Fluctuation in other operating cost;
- The occurrence of natural disasters or calamities;

## DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the stub period ended on January 31, 2024 & financial years ended March 31, 2022, March 31, 2021, and March 31, 2020.

## OVERVIEW OF REVENUE & EXPENDITURE

(Amount in Rs. Lakhs)

Particulars	2023-24 (Upto 31/01/2024)		2022-23		2021-22		2020-21	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
I. Revenue from operations:	1498.25	100.00	2094.07	100.00	8521.64	99.93	18016.73	99.94
II. Other income:	0.00	0.00	0.00	0.00	6.37	0.07	11.06	0.06
<b>III. Total Income (I + II)</b>	<b>1498.25</b>	<b>100.00</b>	<b>2094.07</b>	<b>100.00</b>	<b>8528.00</b>	<b>100.00</b>	<b>18027.79</b>	<b>100.00</b>
IV. Expenses:								
Cost of material consumed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchases of Stock-in-Trade	425.11	28.37	2250.48	107.47	9033.24	105.92	18671.77	103.57
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	837.68	55.91	-344.40	-16.45	-668.56	-7.84	-850.99	-4.72



Particulars	2023-24 (Upto 31/01/2024)		2022-23		2021-22		2020-21	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
Employee benefit expense	57.45	3.83	63.44	3.03	52.59	0.62	45.12	0.25
Finance Costs	12.95	0.86	6.36	0.30	10.30	0.12	0.33	0.00
Depreciation and Amortization Expense	1.03	0.07	1.17	0.06	2.21	0.03	2.33	0.01
Other Expenses	57.82	3.86	66.16	3.16	66.03	0.77	129.91	0.72
<b>Total Expenses (IV)</b>	<b>1392.05</b>	<b>92.91</b>	<b>2043.21</b>	<b>97.57</b>	<b>8495.80</b>	<b>99.62</b>	<b>17998.46</b>	<b>99.84</b>
<b>V. Profit before exceptional and extraordinary items and tax</b>	<b>106.20</b>	<b>7.09</b>	<b>50.87</b>	<b>2.43</b>	<b>32.20</b>	<b>0.38</b>	<b>29.33</b>	<b>0.16</b>
VI. Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VII. Profit before extraordinary items and tax	106.20	7.09	50.87	2.43	32.20	0.38	29.33	0.16
VIII. Extraordinary Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>IX. Profit before tax</b>	<b>106.20</b>	<b>7.09</b>	<b>50.87</b>	<b>2.43</b>	<b>32.20</b>	<b>0.38</b>	<b>29.33</b>	<b>0.16</b>
X. Tax Expense:								
(1) Current Tax	30.00	2.00	14.50	0.69	8.53	0.10	7.63	0.04
(2) Deferred Tax	0.12	0.01	0.11	0.01	-0.26	0.00	-0.26	0.00
(2) Tax Adjustment of Earlier Years	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>XI. Profit(Loss) from the period from continuing operations</b>	<b>76.08</b>	<b>5.08</b>	<b>36.26</b>	<b>1.73</b>	<b>23.94</b>	<b>0.28</b>	<b>21.96</b>	<b>0.12</b>
XII. Profit/(Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIII. Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIV. Profit/(Loss) from discontinuing operations after tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>XV. Profit/(Loss) for the period</b>	<b>76.08</b>	<b>5.08</b>	<b>36.26</b>	<b>1.73</b>	<b>23.94</b>	<b>0.28</b>	<b>21.96</b>	<b>0.12</b>
<b>XVI. Earning Per Equity Share:</b>								
(1) Basic	1.52		0.81		2.15		32.29	
(2) Diluted	1.52		0.81		2.15		32.29	

### Our Significant Accounting Policies

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled '*Financial Statements*' beginning on page 140 of the Draft Prospectus.

### Overview of Revenue & Expenditure

Our revenue and expenses are reported in the following manner:

## Revenues

### ♦ Revenue of operations

Our Revenue from operations is revenue generated from trading of chemical goods. Our revenue from operations accounted for 100%, as percentage of our total income during the stub period of ten-months ended January 31<sup>st</sup> 2024, 100% as a percentage of our total income for Financial Year ended on March 31, 2023, 99.93% as a percentage of our total income for Financial Year ended on March 31, 2022 and 99.94% as a percentage of our total income for the Financial Year ended on March 31, 2021.

### ♦ Other Income

Our other income for the stub period of ten-months ended on January 31, 2024 and Financial Year ended on March 31, 2023 were Nil. Whereas our other income was 6.37 lakhs which amounted to 0.07% as a percentage of our total income for the Financial Year ended on March 31, 2022 and 11.06 lakhs which amounted to 0.06% as a percentage of our total income for the Financial Year ended on March 31, 2021.

Summary of our revenues is as follows:

(Amount in Rs. Lakh)

Particulars	For the month ended January 31, 2024	For the period ended on March 31,		
		2023	2022	2021
<b>Income</b>				
Revenue from operations	1498.25	2094.07	8521.64	18016.73
As a % of total Income	100.00%	100.00%	99.93%	99.94%
Other Income	-	-	6.37	11.06
As a % of Total Income	-	-	0.07%	0.06%
<b>Total Revenue</b>	<b>1498.25</b>	<b>2094.07</b>	<b>8528.00</b>	<b>18027.79</b>

## Expenditure

Our total expenditure primarily consists of employee benefit expenses, purchase of stock in trade, and other expenses.

### *Purchase of Stock in Trade*

The expenditure incurred on purchase of stock in trade stood at Rs. 425.11 Lakhs for ten-months ended January 31<sup>st</sup>, 2024, which was 28.37% of our total income for the period ten-months January 31<sup>st</sup>, 2024, Rs. 2250.48 lakhs which was 107.47% of our total income for financial year ended March 31<sup>st</sup>, 2023, Rs. 9033.24 lakhs which was 105.92% of our total income for financial year ended March 31<sup>st</sup>, 2022 and Rs. 18671.77 lakhs which was 103.57% of our total income for financial year ended March 31<sup>st</sup>, 2021. Our Stock in Trade includes Purchase of chemical goods for the purpose of trading.

### *Change in Inventories of Finished Goods, WIP and Traded Goods*

The Change in Inventories of Finished Goods, WIP and Traded Goods, amounts to Rs. 837.68 lakhs, 55.91% of our total income for the ten-months ended on January 31, 2024, Rs. (334.40) lakhs, (16.45) % of our total income for the period ended on March 31, 2023, Rs. (668.56) lakhs, (7.84) % of our total income for the period ended on March 31, 2022 and Rs. (850.99) lakhs, (4.72) % of our total income for the period ended on March 31, 2021.

### *Employment Benefit Expenses*

Expenditure incurred on Employee Benefit Expenses were Rs. 57.45 lakhs, 3.83% of our total income for the ten-months ended on January 31, 2024, Rs. 63.44 lakhs, 3.03% of our total income for the period ended on March 31, 2023, Rs. 52.59 lakhs, 0.62% of our total income for the period ended on March 31, 2022 and Rs. 45.12 lakhs, 0.25% of our total income for the period ended on March 31, 2021. It includes Salaries and allowances, remuneration to directors and staff welfare expenses.

### *Finance Costs*

Finance Costs for the ten-months ended on January 31, 2024, amounted to Rs. 12.95 lakhs constituting to 0.86% of our total income for ten-months ended January 31, 2024, for the year ended on March 31, 2023, amounted to Rs. 6.36 lakhs constituting to 0.30% of our total income for the year ended March 31, 2023, for the year ended on March 31, 2022, amounted to Rs. 10.30 lakhs constituting to 0.12% of our total income for the year ended March 31, 2022 and for the year

ended on March 31, 2021, amounted to Rs. 0.33 lakhs constituting to 0.00% of our total income for the year ended March 31, 2021. Our finance costs include bank charges and their processing fees.

#### *Depreciation and amortisation*

Depreciation and amortisation claimed for the ten-months ended on January 31, 2024 amounted to Rs. 1.03 lakhs constituting to 0.07% of total income for the ten-months ended on January 31, 2024, for the year ended on 31<sup>st</sup> March 2023 amounted to Rs. 1.17 Lakhs constituting to 0.06% of the total income for the year ended on March 31, 2023, for the year ended on 31<sup>st</sup> March 2022 amounted to Rs. 2.21 Lakhs constituting to 0.03% of the total income for the year ended on March 31, 2022 and for the year ended on 31<sup>st</sup> March 2021 amounted to Rs. 2.33 lakhs constituting to 0.01% of the total income for the year ended on March 31, 2021.

#### *Other Expenses*

Other Expenses for the ten-months ended on January 31, 2024, amounted to Rs. 57.82 lakhs constituting to 3.86% of our total income for the ten-months ended on January 31, 2024, for the year ended on March 31, 2023, amounted to Rs. 66.16 lakhs constituting to 3.16% of the total income for the year ended on March 31, 2023, for the year ended on March 31, 2022, amounted to Rs. 66.03 lakhs constituting to 0.77% of the total income for the year ended on March 31, 2022 and for the year ended on March 31, 2021, amounted to Rs. 129.91 lakhs constituting 0.72% of the total income for the year ended on March 31, 2021. It mainly includes Roc fees, Audit Expense, Legal & Corporate Fee, and office expenses.

(Amount in Rs.Lakhs)

Particulars	For the period ended January 31, 2024	For the year ended on March 31,		
		2023	2022	2021
<b>Expenditure</b>				
Purchase of Stock in Trade	425.11	2250.48	9033.24	18671.77
As a % of total Income	28.37%	107.47%	105.92%	103.57%
Changes in inventories of Finished Goods, WIP and Traded Goods	837.68	(344.40)	(668.56)	(850.99)
As a % of Total Income	55.91%	(16.45) %	(7.84) %	(4.72) %
Employee Benefit Expenses	57.45	63.44	52.59	45.12
As a % of Total Income	3.83%	3.03%	0.62%	0.25%
Finance Cost	12.95	6.36	10.30	0.33
As % of Total Income	0.86%	0.30%	0.12%	0.00%
Depreciation and amortisation Expense	1.03	1.17	2.21	2.33
As a % of Total Income	0.07%	0.06%	0.03%	0.01%
Other Expenses	57.82	66.16	66.03	129.91
As a % of Total Income	3.86%	3.16%	0.77%	0.72%
<b>Total Expenditure</b>	<b>1392.05</b>	<b>2043.21</b>	<b>8495.80</b>	<b>17998.46</b>
As a % of Total Income	<b>92.91%</b>	<b>97.57%</b>	<b>99.62%</b>	<b>99.84%</b>

### **FISCAL YEAR ENDED MARCH 31, 2023, COMPARED WITH THE FISCAL YEAR ENDED ON MARCH 31, 2022**

#### **Income**

Total income has decreased by Rs. 6433.93 lakhs and 75.44% from Rs. 8528.00 lakhs in the fiscal year ended on March 31, 2022, to Rs. 2094.07 Lakhs in the fiscal year ended on March 31, 2023. Our company had consciously decided to concentrate on value added and high margin chemical products and move away from commodity chemicals which were low margin. This led to a drastic reduction in overall revenues for our company.

### **Revenue from operations**

Total revenue from operations has decreased by Rs. 6427.57 Lakhs and 75.43% from Rs. 8521.64 Lakhs in the fiscal year ended on March 31, 2022, to Rs. 2094.07 Lakhs for the fiscal year ended on March 31, 2023. Our company had consciously decided to concentrate on value added and high margin chemical products and move away from commodity chemicals which were low margin. This led to a drastic reduction in overall revenues for our company.

### **Other income**

Other income has decreased by Rs. 6.37 Lakhs and 100% from Rs. 6.37 Lakhs in the fiscal year ended on March 31, 2022 to nil for the fiscal year ended on March 31, 2023. The decrease in income was on account of change in currency rate.

### **Expenditure**

Total Expenditure decreased by Rs. 6452.59 Lakhs and 75.95%, from Rs. 8495.80 Lakhs in the fiscal year ended on March 31, 2022, to Rs. 2043.21 Lakhs for the fiscal year ended March 31, 2023. Overall expenditure decreased mainly due to COVID-19 and decrease in operations of the company.

### **Purchase of Stock in Trade**

Purchase of Stock in trade decreased by 6782.76 Lakhs and 75.09% from 9033.24 Lakhs in the fiscal year ended March 31, 2022, to Rs. 2250.48 Lakhs for the fiscal year ended on March 31, 2023. Purchase of Stock in Trade was decreased due to decreased demand in goods.

### **Change in Inventories of Finished Goods, WIP and Traded Goods**

The change in Inventories of Finished Goods, WIP and Traded Goods increased by Rs. 324.16 Lakhs and 48.49%, from (668.56) lakhs for the fiscal year ended on 31st March 2022 to (344.40) Lakhs for the fiscal year ended on 31st March 2023.

### **Employee Benefit Expenses**

Employee Benefit Expenses increased by Rs. 10.85 Lakhs and 20.63%, from 52.59 Lakhs in the fiscal year ended March 31, 2022, to Rs. 63.44 Lakhs for the fiscal year ended March 31, 2023. Overall employee benefit cost was increased due to increase in no. of employees and increase in general increment in salary & incentives to employees and directors of the company.

### **Finance Costs**

Finance Costs in terms of value and percentage decreased by Rs. 3.95 Lakhs and 38.19% from Rs. 10.30 Lakhs in the fiscal year ended March 31, 2022, to Rs. 6.36 Lakhs for the fiscal year ended on March 31, 2023. Finance Costs was decreased mainly due to bank processing charges and processing fees.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by Rs 1.04 Lakh and in terms of percentage decreased by 47.17% from 2.21 Lakhs in the fiscal year ended March 31, 2022 to Rs 1.17 Lakhs for the fiscal year ended March 31, 2023. Decrease in depreciation is due to decrease in assets of the company.

### **Other Expenses**

Other Direct Expenses in terms of value and percentage slightly increased by Rs. 0.13 Lakhs and 0.20% respectively from Rs. 66.03 Lakhs in the fiscal year ended March 31, 2022, to Rs. 66.16 Lakhs for the fiscal year ended March 31, 2023.

### **Profit before exceptional and Extraordinary Items and Tax**

Profit / Loss before exceptional and Extraordinary Items and Tax has increased by 18.67 lakhs in terms of value and 57.96%

in terms of percentage from profit of Rs. 32.20 Lakhs in the fiscal year ended March 31, 2022, to Profit of Rs. 50.87 Lakhs for the year ended March 31, 2023. Profit before exceptional and Extraordinary Items and Tax was increased due to decrease in expenses of the Company.

### **Profit before Tax**

Profit / Loss before Tax has increased by 18.67 in terms of value lakhs and 57.96% in terms of percentage from profit of Rs. 32.20 Lakhs in the fiscal year ended March 31, 2022, to Profit of Rs. 50.87 Lakhs for the year ended March 31, 2023. Profit before Tax was increased due to decrease in expenses of the Company.

### **Tax Expenses**

Current tax expense has increased by 5.97 lakhs and 70.03% from 8.53 for the fiscal year ended on March 31, 2022 to 14.50 lakh for the fiscal year ended on March 31, 2023. Whereas deferred tax has increased by 0.37 and 142.65% from (0.26) for the fiscal year ended on March 31, 2022 to 0.11 lakh for the fiscal year ended on March 31, 2023. Current tax expenses were increased due to increase in income of company.

### **Net Profit/ (loss) for the period**

Profit / Loss for the period has increased in terms of value and percentage by 12.32 lakhs and 51.48% respectively from profit of Rs.23.94 Lakhs in the fiscal year ended March 31, 2022, to profit of Rs. 36.26 Lakhs for the year ended March 31, 2023. Profit for the year increased due to decrease in expenses of the Company.

## **FISCAL YEAR ENDED MARCH 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021**

### **Income**

Total income has decreased by Rs. 9499.79 lakhs and 52.70% from Rs. 18027.79 lakhs in the fiscal year ended on March 31, 2021, to Rs. 8528.00 Lakhs in the fiscal year ended on March 31, 2022. Our company had consciously decided to concentrate on value added and high margin chemical products and move away from commodity chemicals which were low margin. This led to a drastic reduction in overall revenues for our company.

### **Revenue from operations**

Total revenue from operations has decreased by Rs. 9495.10 Lakhs and 52.70% from Rs. 18016.73 Lakhs in the fiscal year ended on March 31, 2021, to Rs. 8521.64 Lakhs for the fiscal year ended on March 31, 2022. Our company had consciously decided to concentrate on value added and high margin chemical products and move away from commodity chemicals which were low margin. This led to a drastic reduction in overall revenues for our company.

### **Other income**

Other income has decreased by Rs. 4.69 Lakhs and 42.44% from Rs. 11.06 Lakhs in the fiscal year ended on March 31, 2021 to Rs. 6.37 Lakhs for the fiscal year ended on March 31, 2022. The decrease in revenue was on account of change in currency rate.

### **Expenditure**

Total Expenditure decreased by Rs. 9502.66 Lakhs and 52.80%, from Rs. 17998.46 Lakhs in the fiscal year ended on March 31, 2021, to Rs. 8495.80 Lakhs for the fiscal year ended March 31, 2022. Overall expenditure decreased mainly due to COVID-19 and decrease in operations of the company.

### **Purchase of Stock in Trade**

Purchase of Stock in trade decreased by 9638.53 Lakhs and 51.62% from 18671.77 Lakhs in the fiscal year ended March 31, 2021, to Rs. 9033.24 Lakhs for the fiscal year ended on March 31, 2022. Purchase of Stock in Trade was decreased due to decreased demand in goods.

### **Change in Inventories of Finished Goods, WIP and Traded Goods**

The change in Inventories of Finished Goods, WIP and Traded Goods increased by Rs. 182.43 Lakhs and 21.44%, from (850.99) lakhs for the fiscal year ended on 31<sup>st</sup> March 2021 to (668.56) Lakhs for the fiscal year ended on 31<sup>st</sup> March 2022.

### **Employee Benefit Expenses**

Employee Benefit Expenses increased by Rs. 7.47 Lakhs and 16.56%, from 45.12 Lakhs in the fiscal year ended March 31, 2021, to Rs. 52.59 Lakhs for the fiscal year ended March 31, 2022. Overall employee benefit cost was increased due to increase in no. of employees and increase in general increment in salary & incentives to employees and directors of the company.

### **Finance Costs**

Finance Costs in terms of value and percentage increased by Rs. 9.96 Lakhs and 2977.65% from Rs. 0.33 Lakhs in the fiscal year ended March 31, 2021, to Rs. 10.30 Lakhs for the fiscal year ended on March 31, 2022. Finance Costs was increased mainly due to term loan taken during the year.

### **Depreciation & Amortization Expenses**

Depreciation in terms of value decreased by Rs 0.12 Lakh and in terms of percentage decreased by 5.02% from 2.33 Lakhs in the fiscal year ended March 31, 2021 to Rs 2.21 Lakhs for the fiscal year ended March 31, 2022. Decrease in depreciation is due to decrease in assets of the company.

### **Other Expenses**

Other Direct Expenses in terms of value and percentage decreased by Rs. 63.88 Lakhs and 49.17% respectively from Rs. 129.91 Lakhs in the fiscal year ended March 31, 2021, to Rs. 66.03 Lakhs for the fiscal year ended March 31, 2022.

### **Profit before exceptional and Extraordinary Items and Tax**

Profit / Loss before exceptional and Extraordinary Items and Tax has increased by 2.87 lakhs in terms of value and 9.79% in terms of percentage from profit of Rs. 29.33 Lakhs in the fiscal year ended March 31, 2021, to Profit of Rs. 32.20 Lakhs for the year ended March 31, 2022. Profit before exceptional and Extraordinary Items and Tax was increased due to decrease in expenses of the Company.

### **Profit before Tax**

Profit / Loss before Tax has increased by 2.87 in terms of value lakhs and 9.79% in terms of percentage from profit of Rs. 29.33 Lakhs in the fiscal year ended March 31, 2021, to Profit of Rs. 32.20 Lakhs for the year ended March 31, 2022. Profit Tax was increased due to decrease in expenses of the Company.

### **Tax Expenses**

Current tax expense has increased by 0.89 lakhs and 11.70% from 7.63 for the fiscal year ended on March 31, 2021 to 8.52 lakh for the fiscal year ended on March 31, 2022. Whereas deferred tax for both the years amounted to Rs. (0.26) Lakhs without any change thereon. Current tax expenses were increased due to increase in income of company.

### **Net Profit/ (loss) for the period**

Profit / Loss for the period has increased in terms of value and percentage by 1.98 lakhs and 9.02% respectively from profit of Rs.21.96 Lakhs in the fiscal year ended March 31, 2021, to profit of Rs. 23.94 Lakhs for the year ended March 31, 2022. Profit for the year increased due to decrease in expenses of the Company.

Key Financial Performance	January 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Trade Receivables days	751.23	595.85	198.74	68.05
Inventory days	1,051.99	857.36	180.34	70.95
Trade Payable days	1,733.74	1,378.09	367.75	148.47

There is an increase in the Trade Receivable days and the Trade Payable days from 68.05 days to 595.85 days and from 70.95 days to 857.36 days from March 31, 2021 to March 31, 2023 respectively due to increase in both the balances of creditors and debtors of the company resulting from non-payment on both accounts arising from surge in court cases as stated in the section ***‘Outstanding Litigation and Material Developments’*** beginning on page 184 of the Draft Prospectus.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES

### Unusual or infrequent events or transactions.

Except as described in this Draft Prospectus, during the period under review there have been no events or transactions, which in our best judgement would consider unusual or infrequent on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### 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 ‘Significant Factors affecting our Results of Operations’ and the uncertainties described in the section entitled ***‘Risk Factors’*** beginning on page 26 of the Draft Prospectus.

To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes that could materially affect or are likely to affect income from continuing operations.

### Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Except as mentioned above and other than as described in this Draft Prospectus, particularly in the section titled ***‘Risk Factors’*** and this ***‘Management’s Discussion and Analysis of Financial Position and Results of Operations’*** beginning on page 26 and 175, respectively of this Draft Prospectus, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our sales, revenues or income from continuing operations.

### Future relationship between cost and income

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies.

### Increase in net sales or revenue and Introduction of new products or services or increased in sales prices.

Increases in revenue are by and large linked to increase in volume of business and inception of new varieties of products.

### Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment, except otherwise disclosed in this Draft Prospectus.

### 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 titled ***‘Our Business’*** beginning on page 103 of this Draft Prospectus.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by sebi or stock exchanges against the promoters in the last five financial years, including any outstanding action; or (v) material litigation (as defined below); involving our Company, Directors, Promoters and Group Company.

Our Board, in its meeting held on 01.04.2024, determined that outstanding legal proceedings involving the Company, its Directors, Promoter and Group Company:

A. Any outstanding litigation / arbitration proceedings involving our Company, Subsidiaries, Group Companies, Promoters and Directors shall be considered "Material" for the purposes of disclosure in this Draft Prospectus, if: (a) where the aggregate amount involved, in such individual litigation exceeds 10% of the total revenue of our company, as per last Audited Financial Statements; or (b) where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 10% of the profit after tax of our company as per the last audited financial statements, if similar litigations put together collectively exceed 10% of the profit after tax of our company, or (c) litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our company, will be considered as material litigation (**'Material Litigation'**).

B. All pre-litigation notices received by our Company, Subsidiaries, Group Companies, Promoters and Directors (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by our Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum;

C. All pending litigations involving our Company, Group Companies, Promoter or Director, as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'Material' where the monetary liability is not quantifiable, each such case involving our Company, Promoter or Director, or whose outcome would have a bearing on the business operations, prospects or reputation of our Company;

Our Board has approved that, micro, small or a medium enterprise and other Creditors, to whom our Company individually owes a net aggregate amount that exceeds 5% of the trade payables as per the last Audited Restated Financial Statements for the most recent financial year or stub period included in the offer documents, shall be considered as a 'Material' creditors of our Company. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on 01.04.2024. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ('MSME'), the disclosure will be based on information available with our company regarding status of the creditor as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors.

#### Contingent liabilities of our Company

Except the following our Company has no contingent liabilities as on January 31, 2024:

		Amount (in Lakhs)
Sl no.	Particulars	Amount
1	Income Tax Demand/Notices before CIT Appeals/TDS	2,272.68
2	Bank Guarantee/Corporate Guarantee	Nil
Total		2,272.68

#### I. LITIGATION INVOLVING OUR COMPANY

##### Cases Filed by Our Company

##### A. Civil Cases filed by our Company

1. A Mediation Application No. 1125 of 2021 was filed in City Civil Court, Mumbai under the Commercial Court Act, 2015 read with the Commercial Courts (Pre-Institution Mediation and Settlement) Rules, 2018 on 15.09.2021 against Mr. Vatsal Kishor Shah, proprietor of M/s. Virrat Chemical Corporation, (hereinafter referred as the 'Defendant') for recovery of money against the material ordered i.e., Pthalic Anhydride (Korea) through invoice No.192 dated 19.06.2021 on the terms of charging an overdue interest of 24% P.a. on the invoice amount, in case of non-payment on due date i.e., One week



from the date of the order placed. However, even after one week, the amount was not paid by the Defendant and as on the basis of non-payment, the amount payable to our Company was Rs. 17,00,899 (Rupees Seventeen Lakhs Eight Hundred Ninety-Nine only) being the invoice amount and with an overdue interest @ 24% P.a of Rs. 89,471 (Rupees Eighty-Nine Thousand Four Hundred Seventy-One Only) for a total sum Rs. 17,90,370 (Rupees Seventeen Lakhs Ninety Thousand Three Hundred Seventy only).

As of now a non-starter report has been issued by the Hon'ble Court in the said matter.

2. A Mediation Application No. 1343 of 2021 was filed in City Civil Court Mumbai under the Commercial Court Act, 2015 read with the Commercial Courts (Pre-Institution Mediation and Settlement) Rules, 2018 on 14.10.2021 against Mr. Jai Sunil Sachdev, Proprietor of M/s. New Prem Prakash Agencies (hereinafter referred as the 'Defendant') for the recovery of money. The Defendant used to sale, supply and deliver the goods i.e., Mono Sodium Glutamate and Citric Acid to the Company and had a continuous business relationship with the Defendant since 2020. The Company used to order materials on regular basis from the Defendant for which the Company has handed over the Defendant few blank updated cheques towards as the collateral security. All the payment has been paid to the Defendant by RTGS and also payment have been paid as advance for future supply. From 29.08.2020 to 31.07.2021, the defendant has sold and supply material for the total sum of Rs. 8,01,94,830 (Rupees Eight Crore One Lakh Ninety-Four Thousand Eight Hundred Thirty only) and the Company have paid total sum of Rs. 8,87,72,566 (Rupees Eight Crore Eighty-Seven Lakh Seventy-Two Thousand Five Hundred Sixty-Six only). Our Company have paid advance payment of sum of Rs. 85,77,736 (Rupees Eighty-Five Lakhs Seventy-Seven Thousand Seven Hundred Thirty-Six only) to the Defendant against the future supply but the Defendant failed and neglected to supply goods against the aforesaid payment. Therefore, the Company filed the above-mentioned Application for recovery of the advanced payment made to the Defendant.

As of now a non-starter report has been issued by the Hon'ble Court in the said matter.

3. A Mediation Application No. 1344 of 2021 was filed in City Civil Court Mumbai under the Commercial Court Act, 2015 read with the Commercial Courts (Pre-Institution Mediation and Settlement) Rules, 2018 on 14.10.2021 against Mr. Jai Sunil Sachdev, Proprietor of M/s. New Prem Prakash Agencies (hereinafter referred as the 'Defendant') for the recovery of money. The Defendant has placed an order with our Company to purchased chemical materials for which it was sold, supplied and delivered to the Defendant by our Company and accordingly tax invoices no.:956 and 963 were raised on 19.03.2021 for Rs. 12,98,974 (Rupees Twelve Lakhs Ninety-Eight Thousand Nine Hundred Seventy-Four only) and on 22.03.2021 for Rs. 12,98,974 (Rupees Twelve Lakhs Ninety -Eight Thousand Nine Hundred Seventy-Four only) respectively making a total sum of Rs. 25,97,948 (Rupees Twenty-Five Lakhs Ninety-Seven Thousand Nine Hundred Forty-Eight only), the Defendant has received the materials under aforesaid invoices and without raising any disputes on quality, quantity or price has accepted the material. Now, as per the invoice the payment has to be made on immediate basis after receiving the materials but the Defendant failed to make any payment on the aforesaid invoices. Later, our Company sent a demand notice through its advocates on 30.09.2021 via registered Post A.D. but the notice returned back from the postal authority with remark 'Unclaimed' on 12.10.2021 which was deliberately not taken by the Defendant. After which the Company filed this mediation application to recover the money.

As of now a non-starter report has been issued by the Hon'ble Court in the said matter.

4. A Mediation Application bearing No. 1700/2023 was filed against M/s. Amrut Enterprises and its Proprietor Mr. Amit Prataprai Mehta (hereinafter referred as the 'Respondent') by our Company through our director and promoter Mr. Arif Esmail Merchant on 06.10.2023 to pay the due amount of Rs. 12,76,273.00 (Rupees Twelve Lakhs Seventy-Six Thousand Two Hundred Seventy-Three Only). The mediation was regarding goods sold to the Respondent as said purchased goods (Caustic Soda) were used by the Respondent without making any payment. However, the said Mediation was failed.

The Company is in process to take further action.

5. A Mediation Application bearing No. 1584/2023 has been filed against Mr. Vishal Madhu Deora, Proprietor of M/s. Vedant Overseas('Proprietorship Firm') (hereinafter referred as the 'Opposite Party') on 25.09.2023. The Opposite Party purchased goods from our company from 23.10.2021 to 03.11.2021 and did not clear the due. On 12.12.2022, a legal demand notice sent to the opposite party, thereafter only a part payment was made by the Opposite Party. Thus, as on 19.04.2023 leaving the principal balance sum of Rs. 41,20,634(Rupees Forty-One Lakhs Twenty Thousand Six Hundred Thirty-Four only) is due and still payable by the Opposite Party. Hence, our Company has filed the Mediation Application. However, the Opposite Party refused to participate in the mediation Process, Hence the Non- Starter Report issued on 06.12.2023.
6. A Mediation Application bearing No. 1701/2023 has been filed against M/s. Rajvi Chemical Corporation and Mr. Vijay Nagindas Mehta, (hereinafter referred as the 'Opposite Party') on 06.10.2023 to recover Rs. 56,50,398.42 (Rupees Fifty-

Six Lakhs Fifty Thousand Three Hundred Ninety Eight and Four Two Only). A police complaint was also filed against the Opposite Party on 22.07.2023. The Opposite Party refused to participate in the mediation Process, Hence the Non- Starter Report issued on 02.01.2024.

Our Company is in the process to file a recovery suit against the Opposite Party.

7. A Securitisation Application (Dairy No.292/2023) has been filed on 18.02.2023 by our Company. However, no proceeding has been initiated on the said application; therefore the same application was re-filed on 16.03.2024 (Dairy No.416/2024), Case No.SA/93/2024 in Debt Recovery Tribunal, Mumbai (DRT 2) against the Authorised Officer of Indostar Capital Finance Limited (Hereinafter referred as the 'ICFL') after receiving an assets possession notice on 29.02.2024. Our Company has availed a loan of Rs. 1,15,00,000 (Rupees One Crore Fifteen Lakhs only) and credit protection of Rs. 2,00,000 (Rupees Two Lakhs only) against the property i.e, Flat No. 901 on 9th Floor, C Wing, AL-Raza Tower, RAZA CHSL, Parel, Sewri, Mumbai-400015. On 04.11.2022. The ICFL issued a demand notice of Rs. 1,26,28,642 (Rupees One Crore Twenty-Six Lakhs Twenty-Eight Thousand Six Hundred Forty-Two Only) (hereinafter referred as the 'Notice Amount') towards the loan facility which was incorrect and has also wrongly classified the above-mentioned property as NPA (Non-Performing Asset), a reply against said notice was also given by the Company as on 03.01.2023. Thereafter, ICFL issued a notice under section 13(2) of the SARFAESI Act and possesses the said property. However, as per the court hearing held on 19.03.2024, the secured creditor called upon our Company to pay the Notice Amount therefore, our Company issued a Demand Draft of Rs. 50,00,000 (Rupees Fifty Lakhs only) favoring the ICFL.

The matter is currently in a settlement stage.

#### **B. Criminal Cases filed by our company**

Nil

#### **C. Other Litigation**

1. A Police complaint has been filed at Pydhonie Police Station by the Company through one of its director Mr. Arif Esmail Merchant against Cosmos Vu Ltd, a company registered in Hong Kong, and its CEO and the Officer, who is the operation Head in India (hereinafter collectively referred as the 'Accused') under section 420, 465, 467, 468, 471, 409 r/w 120B of Indian Penal Code (IPC) on 03.05.2021.

The Company has contacted the Accused to place order of the chemical i.e., Monosodium Glutamate in which it came to know that Mr. Navas Khan being the head of operations in India of the Cosmos Vu Ltd. After the meeting which was held in the Company office with the Accused officer, who was looking after the entire transaction and was to receive the consignment in India and then supposed to hand over the same to the Company. The Officer state that to place an order, the Company have to make an advance payment of 15% , which was remitted to the Accused account and rest 85% has to be paid on receipt of Bills of Lading and proforma invoice by the Company. The Company has made the advance payment via its Bank i.e., Kotak Mahindra Bank on 12.11.2019 and 20.11.2019 total sum of US Dollar 16,302 being advance 15% payment.

The goods were supposed to shipped by December 2019 from Nhava Seva Port. The Accused has handed over a wrong Bills of Landing (BL) number and state to trace it with the shipping company named 'Evergreen Line'. However, after contacting the Evergreen Line, it came to know that it has been issued for another Company and the goods were never shipped to our Company. The Accused has prepared false and bogus BL number twice, which has given to the Company showing its name on the BL, whereas those invoices has been raised for other company and was used to solely cheat the Company. It is clear that the Accused's intention was to dupe and cheat our Company by preparing false and lubricating documents to cheat with huge sum in US Dollar.

The matter is under investigation.

2. A Police Complaint has been lodged by one of the director of our Company, Mr. Arif Esmail Merchant to the Police Commissioner, Police Head Quarters, Mumbai, Deputy Commissioner of Police(Zone II), Near Axis Bank, Nagpada, Mumbai-400008 and the Senior Inspector Incharge, Pydhonie Police Station, Mumbai-400003 against the Proprietor Mr. Vishal Madhu Deora, proprietor of M/s. Vedant Overseas(hereinafter referred as the 'Opposite Party') for Rs. 43,23,634(Rupees Forty Three Lakhs Twenty Three Thousand Six Hundred Thirty Four only) on 24.07.2023 due to no response of calls, mails and reminders and legal notices for payment of dues. The Opposite Party is one of the customers

of our Company. Our Company have sold, supplied and delivered goods to the Opposite Party on different date of different amount from 23.10.2021 to 03.11.2021 for the total sum of Rs. 1,53,45,310 (Rupees One Crore Fifty-Three Lakhs Forty-Five Thousand Three Hundred Ten Only), the Opposite Party has received the materials without raising any disputes on quality, quantity or price and has accepted the material without any demur and or dispute. As per the invoice the payment has to be made on immediate basis on receipt of the materials but the Opposite Party failed to make any payment on the aforesaid invoices. After several follow ups the Opposite Party admitted and acknowledged liability towards payment therefore made part payment on different dates leaving a principal sum of Rs. 43,23,634 (Rupees Forty Three Lakhs Twenty Three Thousand Six Hundred Thirty Four only) as on March 29, 2023. However, after considering all consolidated accounts with its other three entities i.e. M/s. Sadhana Trading Corporation, M/s. Vishal Corporation and M/s. Vedant Overseas, all three being the business entity of Mr. Vishal Madhu Deora, his father Mr. Madhu Deora and his uncle Mr. Bharat Deora. Our Company is demanding Rs. 41,20,634 (Rupees Forty One Lakhs Twenty Thousand Six Hundred Thirty Four only) to close the account. However, the Opposite Party failed to pay the balance amount. Hence, the complaint has been lodged. The matter is under investigation.

Our Company has also filed a Mediation Application against M/s. Vedant Overseas to recover the amount.

3. A Police Complaint has been lodged at the Police Commissioner, Mumbai, the Deputy Commissioner of Police, Nagpada, Mumbai and the Senior Inspector Incharge, Paydhonie Police Station on 22.07.2023 against Mr. Vijay Nagindas Mehta and Mr. Jai Vijay Mehta of Rajvi Chemical Corporation LLP(AAD-9424) (hereinafter referred as the 'Opposite Party') of cheating and breach of trust to the tune of Rs. 56,50,398.42 (Rupees Fifty-Six Lakhs Fifty Thousand Three Hundred Ninety-Eight and Four Two Only).

Our Company have sold, supplied and delivered the goods of Rs. 136,84,40,049.52(Rupees One Hundred Thirty-Six Crore Eighty-Four Lakhs Forty Thousand Forty-Nine and Five Two only) since 2019 till May 18, 2023. Out of the total due amount Rs. 136,27,89,651.10 (Rupees One Hundred Thirty-Six Crore Twenty-Seven Lakhs Eighty Nine Thousand Six Hundred Fifty one and One Zero only) has been paid leaving Rs. 56,50,398.42 (Rupees Fifty-Six Lakhs Fifty Thousand Three Hundred Ninety-Eight and Four Two Only) as due. On 09.06.2023, our company had sent a legal notice to the Opposite Party and its Partner, Mr. Vijay Nagindas Mehta demanding to pay all outstanding amount on which a reply dated 26.06.2023 has been received from the Opposite Party stating false liabilities of rates differences and discounts etc to tune of Rs. 68,12,692.10 (Rupees Sixty- Eight Lakhs Twelve Thousand Six Hundred Ninety-Two and One Only) for which the Opposite Party has issued debit notes against the amount pending towards discounts or rate differences, TDS issued and wrongly counted purchase bills and further demanded Rs. 16,58,701.68(Rupees Sixteen Lakhs Fifty- Eight Thousand Seven Hundred One and Six Eight Only) as due payable by our Company to the Opposite Party. Upon failing to pay the due amount by the Opposite party and allegedly imposing fabricated amount based on false rates differences and discounts. Our company made a police complaint. Also, our Company has also filed a Mediation Application against M/s. Vedant Overseas to recover the amount.

The matter is under investigation.

### **Cases Filed against Our Company**

#### **D. Civil cases filed against our Company**

1. A Case No. DL/06/S/NWC/00588 has been filed on 24.11.2021 in the MSE Facilitation Council (MSEFC), North-West district Delhi, Complaint has been filed by Mr. Deepak Goel C/o Deepak Dye Chem Agencies (hereinafter referred as the 'DDCA') against the Company for the delayed in the payment of Rs. 80,40,874 (Rupees Eighty Lakhs Forty Thousand Eight Hundred Seventy-Four only). In the conciliation meeting, it was felt that the conciliation was not possible. Therefore, on 30.09.2022 the council decided to terminate the conciliation proceeding and refer this case u/s 18(3) of the Micro, Small and Medium Enterprise Development Act, 2006 to the Delhi International Arbitration Centre (DIAC) for initiating proceeding as per the Arbitration and Conciliation Act, 1996. Simultaneously, the DDCA have also filed several cases based on each cheque involved in the dispute rather than the total disputed amount against the Company under section 138 of the Negotiable Instruments Act, 1881 before the Rohini Court, Delhi.

2. A Commercial Summary Suit 100087/2023 has been filed by Mr. Sanjay Surendra Darooka (hereinafter referred as the 'Plaintiff') against our Company on 23.12.2022, in the City Civil Court Mumbai, under Section 2(1)(c)(18) of Code of Civil Procedure 1908, (CPC) to recover Rs. 75,18,319.24(Rupees Seventy-Five Lakhs Eighteen Thousand Three Hundred and Nineteen and Two Four only) including interest of Rs.11,81,291.43(Rupees Eleven Lakhs Eighty-One Thousand Two Hundred Ninety-One and Four Three Only) towards interest rate 21% per annum from 30.01.2022 till 20.12.2022 and thereafter further interest rate at the rate of 21% per annum from 21st December 2022 till the date of realization. As per the Suit the Plaintiff has supplied goods (chemicals) to our Company on various dates, goods total amount of Rs. 5,08,41,409.81 (Rupees Five Crore Eight Lakhs Forty-One Thousand Four Hundred Nine and Eight One only), out of which Rs. 4,45,04,382 (Rupees Four Crore Forty-Five Lakhs Four Thousand Three Hundred Eighty-Two Only) has been paid leaving an amount of Rs. 63,37,027.81(Rupees Sixty-Three Lakhs Thirty-Seven Thousand Twenty-Seven and Eight one Only) for which the Company has issued cheques, however the same being returned by the Bank with remark 'Payment Stopped by the Drawer'. The Plaintiff has filed the Suit to recover the amount, however our company has denied all allegation as no amount is due towards the Plaintiff against any material purchased. Also, the Cheques were never issued towards discharge of any liability rather were issued as security purpose and not to deposit for encashment.

On 15.02.2024, a Case No. 100036/2024 has been also filed by the Plaintiff in the above-mentioned commercial suit at City Civil Court, Mumbai. The Plaintiff has served upon a summons for judgment at hearing. The next date of hearing is 21.06.2024.

The matter is currently pending before the Hon'ble Court.

3. A Petition No. MH/19/S/MUB/05370 has been filed by M/s. Romish Dye Chem Industries LLP (hereinafter referred as the "RDCI") against our Company before Micro and Small Enterprises Facilitation Council, Mumbai Region, Mumbai(MSME Samadhaan) on 28.10.2023 for payment of Rs. 20,63,885 (Rupees Twenty Lakhs Sixty Three Thousand Eight Hundred Eighty Five Only). RDCI has supplied goods to our Company as per the RDCI the amount against the goods delivered was not paid. Therefore, the said Petition was filed for Arbitration and Conciliation.

The matter is currently pending before the Authority

#### **E. Criminal cases filed against our Company**

1. Mr. Sunil Santumal Sachdeva has filed a Criminal Case (R.C.C/919/2022) against our Company and its directors i.e., Arif Esmail Merchant and Mr. Hashim Arif Merchant & others before Hon'ble Civil Court Junior division, Ulhasnagar under section 405, 406, 418, and 420 of Indian Penal Code (IPC) on June 24, 2022. Our Company have not received any summon or communications from the Hon'ble Court wrt the case as on filing this Draft Prospectus.

The said matter is currently pending before the Hon'ble court.

2. The following cases has been filed against our company under Section 138 of the Negotiable Instruments Act, 1881(the 'NI Act') for dishonour of cheques at various courts:

Sl no.	Case number	Case filed by	Court	Filing date	Amount Involved (in Rs.)
1	*CC NI Act/4577/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	30-Nov-21	5,00,000.00
2	*CC NI Act/4576/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	30-Nov-21	5,00,000.00
3	*CC NI Act/4575/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	30-Nov-21	5,00,000.00
4	*CC NI Act/4574/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	30-Nov-21	5,00,000.00
5	*CC NI Act/4573/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
6	*CC NI Act/4572/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00

Sl no.	Case number	Case filed by	Court	Filing date	Amount Involved (in Rs.)
7	*CC NI Act/4571/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	30-Nov-21	5,00,000.00
8	*CC NI Act/4570/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
9	*CC NI Act/4569/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	4,81,628.00
10	*CC NI Act/4568/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
11	*CC NI Act/4567/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
12	*CC NI Act/4566/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
13	*CC NI Act/4565/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
14	*CC NI Act/4564/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
15	*CC NI Act/4557/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
16	*CC NI Act/4556/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
17	*CC NI Act/4555/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
18	*CC NI Act/4554/2021	M/s. Deepak Dye Chem Agencies	Rohini Court, Delhi	29-Nov-21	5,00,000.00
19	*Summary Case/226/2022	Vatsal Kishor Shah	Mulund, Mm Court, Mumbai	8-June-22	5,00,000.00
20	*Summary Case/270/2022	Vatsal Kishor Shah	Mulund, Mm Court, Mumbai	2-July-22	22,50,000.00
21	*Summary Case/305/2022	Vatsal Kishor Shah	Mulund, Mm Court, Mumbai	30-July-22	22,50,000.00
22	*Summary Case/372/2022	Vatsal Kishor Shah	Mulund, Mm Court, Mumbai	14-Sep-22	22,44,178.00
23	*Summary Cases/5800295/2022	M/s. Chemura	Bandra MM Court, Mumbai	27-Apr-22	53,04,690.00
24	**S.C.C./4086/2021	M/s. Shree Hari Traders through Kanchan Sunil Sachdev	Civil Court, Ulhasnagar	26-Oct-21	14,65,000.00
25	**S.C.C./3888/2021	Sunil Santumal Sachdev	Civil Court, Ulhasnagar	29-Sep-21	16,83,098.00
26	**S.C.C./3887/2021	M/s. New prem Prakash agencies through Jayesh Sunil Sachdev	Civil Court, Ulhasnagar	29-Sep-21	4,63,408.00
27	**S.C.C./5678/2022	M/s. New prem Prakash Agencies through Jayesh Sunil Sachdev	Civil court, Ulhasnagar	17-Dec-22	9,00,000.00
28	**S.C.C./3886/2021	Shri Hari traders through Kanchan Sunil Sachdev	Civil court, Ulhasnagar	29-Sep-21	30,00,000.00
29	*Summary Case/5602410/2022	Bidar Chemo Trades through Sanjay Surendra Darook	Additional Metropolitan Magistrate, Mazgaon, Mumbai	25-May-22	62,70,626.00
30	*Summary Case/6301604/2022	M/s. Chemstar global products LLP	MM Court, Andheri	13-May-22	1,86,64,485.00
31	*Summary Case/603279/2022	Agarwal Chem Products(India) Private Limited	Additional metropolitan	16-Sep-22	9,30,81,607.00

Sl no.	Case number	Case filed by	Court	Filing date	Amount Involved (in Rs.)
			magistrate, Mazgaon, Mumbai		
32	**S.C.C./1880/2023	M/s. New prem Prakash Agencies through Jayesh Sunil Sachdev	Civil court, Ulhasnagar	10-March-2023	9,00,000.00
33	**S.C.C./1884/2023	M/s. New prem Prakash Agencies through Jayesh Sunil Sachdev	Civil court, Ulhasnagar	10-March-2023	9,00,000.00
34	**S.C.C./1901/2023	M/s. New prem Prakash Agencies through Jayesh Sunil Sachdev	Civil court, Ulhasnagar	10-March-2023	9,60,236.00
<b>Total Amount</b>					<b>14,98,18,956.00</b>

*\*All these cases were also filed against the directors of the company i.e., Mr. Arif Esmail Merchant, Mr. Wasim Nisar Rizvi and Mr. Hashim Arif Merchant.*

*\*\* All these cases were also file against the two directors of our company i.e., Mr. Arif Esmail Merchant and Mr. Hashim Arif Merchant.*

*#Many of the above criminal cases has been filed by one party based on each cheque involved in the dispute rather than the total disputed amount. Overall there are nine (9) parties who have filed cases under Section 138 under the NI Act against the Company and its directors.*

#### F. Revenue proceedings against our company

##### *Direct tax proceedings*

- A. Except the following, Company has not received any outstanding demand notice from Income Tax Department:

Amount in Rupees (Rs)						
Sl No.	Assessment Year	Demand Raised u/s.	Date of Demand Raised	Demand Reference No	Demand Outstanding Amount	Final Interest
1.	2018	143(1)(a)	01 May 2019	2019201837023049884C	0	5,886
2.	2020	143(1)(a)	24 December 2021	2021202037030815793C	11,04,610	-
3.	2022	143(3)	22 March 2024	2023202237246262624C	21,33,56,160	1,28,01,366
<b>Total</b>					<b>22,72,68,022</b>	

- B. Except the following, there are no e-proceeding showing on the website of Income Tax against the Company, the amount has not been crystalized yet:

Sl No.	Defective Notice / Issue Letter	Return Acknowledgement No.	Assessment Year	Status
1.	Adjustment U/s 143(1)(a)	-	2017-18	Pending
2.	Defective Notice U/s 139(9)	560065711191223	2021-22	Pending
3.	Defective Notice 139(9)	594540281301223	2023-24	Pending
4.	Defective Notice U/s 139(9)	371737460150322	2021-22	Pending
5.	Issue Letter	-	2018-19	Open
6.	Penalty Proceeding		2022-2023	Open
7.	Issue Letter	-	NA	Open
8.	Issue Letter	-	NA	Open

**G. Case by regulatory/statutory authority**

Nil

**H. Material frauds committed against our Company**

Nil

**I. Past cases where penalties imposed**

Nil

**J. Past inquiries, inspections and investigations under the Companies Act**

Nil

**K. Fines imposed or compounding of offences**

Nil

**L. Proceedings initiated against our Company for economic offences**

Nil

**M. Defaults and non-payment of statutory dues**

Nil

**II. LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS**

**LITIGATION FILED BY OUR PROMOTER AND DIRECTORS**

**A. Outstanding civil cases involving our Promoters and Directors**

1. A will Application Will/225/2021 was filed by Mr. Arif Esmail Merchant (Promoter and Director) against Mr. Halimabai Hasham Merchant & Other in the High Court Mumbai (Original)-Mumbai Bench. The estimated value of the immovable property bearing C.S. No. 262 and 263, Bhuleshwar Division 'C' ward No. 2702 and street No. 25-27, 4th Marine Street, 98 Zakeria Masjid Street, Mumbai-400009 was Rs.40,00,000(Rupees Forty Lakhs only) in the will, which was bequeath to Mr. Arif Esmail Merchant. A probate has been issued on 07.08.2021.
2. A Securitisation Application (Case No. SA/76/2023) was filed on 18.02.2023 in Debt Recovery Tribunal Mumbai (DRT 2), However, the same has been withdrawal from DRT 2 and being refilled in Debt Recovery Tribunal (DRT 1) via Securitisation Application (Case No. SA/162/2023) against Shriram Housing Finance Limited (Hereinafter referred as the 'SHFL') by our director, Mr. Arif Esmail Merchant (Promoter and Director) and Other. Our director, has availed a loan of Rs. 1,16,66,027 (Rupees One Crore Sixteen Lakhs Sixty-Six Thousand Twenty-Seven only) against mortgaging the property i.e, Flat No. 902 on 9th Floor, C Wing, AL-Raza Tower, RAZA CHSL, Parel, Sewri, Mumbai-400011. On 12.10.2022 the SHFL issued a demand notice of Rs. 1,29,00,762 (Rupees One Crore Twenty-Nine Lakhs Seven Hundred Sixty-Two only) towards loan facility upon which an objection was raised on such amount rise in the demand notice. Thereafter, the SHFL issued a notice under section 13(2) of the SARFAESI Act and possesses the said property and the bank being in a bargaining position and have unfairly used same to their undue advantage and issued notice to sale the said property. Hence, the Application has been filed. However, later on 18.04.2024, a final settlement has been done between both the parties and a final settlement amount agreed by both the parties is Rs.1,15,00,000 (Rupees One Crore Fifteen Lakhs only) in which it was agreed that an amount of Rs. 50,00,000 (Rupees Fifty Lakhs only) will be paid to SHFL on the same day and Rs. 65,00,000 (Rupees Sixty-Five Lakhs only) has been paid on 20.05.2024. The next date of hearing is 30.05.2024.

The matter is at settlement stage.

3. A Mediation Application 73/2023(Mediation No./2023/1075) was filed on 28.03.2023 by one of director Mr. Hashim Arif Merchant (hereinafter referred as ‘the Applicant’) at Main Mediation Centre, High Court of Judicature at Bombay, High Court Bombay against Mr. Gautam Gopikishan Makharia (hereinafter referred as the Respondent’) under Section 2(1)(c) of the Commercial Court Act, 2015. The Respondent along with his brother Mr. Punit Makharia approached Mr. Arif Esmail Merchant, father of the Applicant for investment in a new company/project carrying out chemical business. Since, Mr. Punit Makharia is one of the directors of Shree Pushkar Chemicals & Fertilizer Limited and had a business relation with the Applicant for more than 25 years also the Respondent assured a return/interest @12% p.a. on investment for a period of 3 years. The Applicant have invested a sum of Rs. 1,41,00,000 (Rupees One Crore Forty-One Lakhs only) through cheques and RTGS from 08.03.2019 to 20.03.2019. The Respondent has made part payment through RTGS sum of Rs.25,00,000 on 03.12.2020, Rs. 25,00,000 on 08.12.2020 and Rs. 25,00,000 on 14.12.2020 total Rs.75,00,000, thus leaving the Principal balance sum of Rs. 66,00,000 and interest accrued @12% p.a. year wise Rs. 87,63,365 for the period 08.03.2019 to 30.11.2022 thus total sum of Rs. 1,53,63,365(Rupees One Crore Fifty-Three Lakhs Sixty Three Thousand Three Hundred Sixty-Five only) is due and payable by the Respondent to the Applicant. A demand notice dated 27.01.2023 has also called upon to pay the aforesaid amount however the said notice has return back. After numerous failed approaches and contacts the Applicant has approached the forum.

As of now a non-starter report has been issued by the Hon’ble Court in the said matter.

4. A Mediation Application 74/2023 was filed on 28.03.2023 by one of director Mr. Arif Esmail Merchant (hereinafter referred as the “Applicant”) at Main Mediation Centre, High Court of Judicature at Bombay, High Court Bombay against Mr. Gautam Gopikishan Makharia (hereinafter referred as the Respondent’) under Section 2(1)(c) of the Commercial Court Act, 2015. The Respondent along with his brother Mr. Punit Makharia approached the Applicant for investment in a new company/project carrying out chemical business. Since, the Applicant knew the brother of the Respondent who being the director of Shree Pushkar Chemicals & Fertilizer Limited and since the Applicant knew Mr. Punit for more than 25 years also assured the Applicant of a good return if the Applicant invests in the business of the Respondent. Therefore, on trusting upon the Respondent’s words and promises the Applicant have invested a sum of Rs. 1,59,00,000 (Rupees One Crore Fifty-Nine Lakhs only) between a period from 13.02.2019 to 20.02.2019 through RTGS and Cheques. As per the agreed terms the amount was invested for a period of 3 years @12% p.a. At the end of 30.11.2022 the Respondent was liable to pay an amount of Rs. 2,41,42,093 (Rupees Two Crore Forty-One Lakh Forty-Two Thousand Ninety-Three only) including interest of 12% P.a. of Rs. 82,72,093 (Rupees Eighty-Two Lakhs Seventy-Two Thousand Ninety-Three only). A demand notice dated 27.01.2023 has also called upon to pay the aforesaid amount however the said notice has return back. After numerous failed approaches and contacts our Director has approached the forum.

#### **B. Outstanding criminal litigation involving our Promoters and Directors**

1. A Misc cases 704207/2023 which has been filed by Mr. Arif Merchant(Promoter and Director) and Mr. Hashim Merchant (Director) against the State of Maharashtra at Chief Metropolitan Magistrate Court, Esplanade Court, Mumbai on 11.10.2023 under Code of Criminal Procedure for De- freezing of one bank account which has been freezed by Economic Offences Wing(EOW) in the proceeding of the case namely C.R. No.174 of 2023 (46 of 2024) which has been registered with the Economic Offences Wing (EOW) with Pydhoni Police Station, Mumbai for the offence punishable under Section 420 r/w Section 34 of the Indian Penal Code, 1860) on 29.04.2023 by Mr. Mohanlal Satyanarayan Agarwal, director of Agarwal Chem Products(India) Private Limited.

The matter is currently pending.

#### **C. Proceeding Initiated by our Promoter and Director for Economic Offense**

1. Police complaint has been filed against Mr. Asif Mohd. Umar Furniturewala, Mr. Afsal Mohammed Umar Furniturewala, Mrs. Parveen Asif Furniturewala and Mr. Abdullah Asif Furniturewala (hereinafter collectively referred as the ‘Accused’) in the Economic Offence Wing (EoW) on 09.03.2023 by one of our director Mr. Arif Esmail Merchant (hereinafter referred as ‘Mr. Merchant’) for cheating breach of trust U/s 403, 406, 409,420,422,465,467,468,471,120B and 34 of Indian Penal Code (IPC). The Accused has a friendly relationship with Mr. Merchant since 2018 as Mr. Merchant and his family were



in possession of a flat owned by Mrs. Parveen Asif Furniturewala and Mr. Abdullah Asif Furniturewala under leave and license agreement. In December, 2019 Mrs. Parveen and Mr. Abdullah introduced Mr. Asif Furniturewala (husband of Mrs. Parveen and father of Mr. Abdullah) and he offered to sell two flats namely 1. Flat number 191, owned by Mrs. Parveen and Mr. Abdullah and 2. Flat number 262, owned by Mrs. Parveen and Mr. Asif. Total deal was finalized at Rs. 8,50,00,000 (Rupees Eight Crore Fifty Lakhs only) for each flat and a token amount of Rs. 11,00,000 (Rupees Eleven Lakhs only) was paid to Mrs. Parveen and Mr. Asif for flat number 191 and 262 respectively. Thereafter, in tranches a total sum of Rs. 4,24,00,000 (Rupees Four Crore Twenty-Four Lakhs only) and Rs. 11,00,000 (Rupees Eleven Lakhs only) was given to Mrs. Parveen and Mr. Asif respectively. After receiving almost 50% of the flat no 191, Mrs. Parveen and Mr. Abdullah ensured that the agreement will get executed by March 31, 2021. Upon asking to vacate flat no. 262, as Mr. Asif was already staying in, he took shadow of Covid situation and ensure to execute the deal as soon as possible and will move to new flat soon, being requested by Mr. Asif, Mr. Merchant believe him.

Meanwhile, after gaining the trust Mr. Asif introduced Mr. Afzal Umar Furniturewala to Mr. Merchant and informed that both brothers are running a company named Millionaire Reality and since Mr. Merchant was in chemical industries and raw material could be supplied to them. Mr. Merchant without knowing the mala fide intention and trusting on the words, supplied goods to them worth Rs. 34,48,11,688 (Rupees Thirty-Four Crore Forty-Eight Lakhs Eleven Thousand Six Hundred Eighty-Eight only) on which Rs. 21,33,07,232 (Rupees Twenty-One Crore Thirty-Three Lakhs Seven Thousand Two Hundred Thirty-Two only) is still unpaid. In the month of July 2021, the Accused informed and convinced Mr. Merchant to invest in the real estate companies owned and associated by the Accused and claimed to be gain on short term basis. Considering the trust and faith on the Accused, the Company invested a huge amount of Rs. 25,20,04,000 (Rupees Twenty-Five Crore Twenty Lakh Four Thousand only) on Umar Reality (PAN: AAGFU5856Q), Gauri Construction (PAN: AAMFG8848A), Sara Construction (PAN: ACJFS5311H) and Sana and Company (PAN: AEGFS9063R). After the huge amount, the behavior of the Accused has changed drastically, upon asking the return on the investment. They started acting in arrogant way and instead of profit or any compensation and /or allotment of any Property, land etc, It was clear that the Accused intention was not to return the said amount and to cheat the Company therefore the Accused and its associated entities are liable to pay the investment amount along with 24% of interest per annum. Later, the deal wrt the flats were cancelled by Mrs. Parveen and Mr. Abdullah, Mrs. Parveen returned the amount by keeping Rs. 99,00,000 (Rupees Ninety Lakhs only) agreed to pay 2% interest and amount will be adjusted against the monthly rent of the flat, from April 2022.

On 4.07.2022, Mr. Asif came to Mr. Merchant house and created nuisance and threatened to vacate the house by hook or by crook, to avoid any conflict Mr. Merchant lodge the NC no. 847 dated 4.07.2022 U/s 506 of IPC at Agripada Police station. In October, 2022, Mr. Merchant and his family was forcibly removed from the premises and possession has been taken without obtaining surrender letter from them also Electricity bill of Rs. 80,614 (Rupees Eighty Thousand Six Hundred Fourteen only) and Gas payment of Rs.2,601 (Rupees Two Thousand Six Hundred one only) was paid on 01.12.2022 by Mr. Merchant. The Accused is liable to pay the following along with the interest to Mr. Merchant and the Company:

Debtor	Amount (In Rupees)	Interest Amount (in Rupees)
Asif M Umar Furniturewala	11,00,000.00	8,58,000.00
Parveen Asif Furniturewala	99,00,000.00	60,60,000.00
Sara Construction	4,70,01,000.00	1,81,00,380.00
Gauri Construction	10,50,01,000.00	3,99,00,380.00
Umar Reality	5,00,01,000.00	1,90,00,380.00
Sana & Company	5,00,01,000.00	1,90,00,380.00
<b>Total Principal and Interest</b>	<b>36,59,23,520.00</b>	

Also, on August 29, 2023, Mr. Merchant has lodged an FIR no. 172 against Mr. Asif Mohd. Umar Furniturewala, in the Pydhonie Police Station under section 409, 420, 120-B and 34 of IPC (Indian Penal Code) for cheating of Rs. 25,20,04,000 (Rupees Twenty-Five Crore Twenty Lakhs Four Thousand only) against the amount invested in Sarah Construction, Gauri Construction, Umar Reality and Sana & Co.

#### D. Other Litigation Matters

1. A Police Complaint has been filed by one of our director promoter Mr. Arif Esmail Merchant against Mr. Gautam Gopikrishan Makharia, Director of Shree Pushkar Chemicals & Fertilisers Limited, Mr. Piyush Kachaliya and Mr. Punit Gopikrishan Makharia (hereinafter collectively referred the 'Accused') for cheating, breach of trust U/s 403,406,409,420,422,465,467,468,471 and 34 of Indian Penal Code (IPC) on 11.03.2023.

Mr. Hasim Merchant (hereinafter referred as the 'Complainant') knew Mr. Gautam who was also in the same business of

Sale-Purchase of Chemicals and his father Mr. Gopikishan Makharia through broker Mr. Piyush Kachliya. Mr. Gautam requested the Complainant to give him loan of Rs.3.5 Crores for the business of chemical company/start a new Company. Mr. Gautam has agreed to pay interest @ 12% per month on the said amount and assured that he will return double amount within three years. Accordingly, the Complainant has paid the said amount to the Accused by way of transferring in the bank account of Mr. Gautam Makharia. However, Mr. Gautam has not paid the agreed interest amount, hence the Complainant demanded him to return the said amount. Therefore, on 10.11.2020, Mr. Gautam has deposited sum of Rs.28,77,260 (Rupees Twenty-Eight Lakhs Seventy-Seven Thousand Two Hundred Sixty only) in the bank account of the mother of the Complainant. Total sum of Rs.4,54,53,609/- inclusive of interest is due and outstanding from the Mr. Gautam.

On 27.01.2023, the Complainant has sent notice to Mr. Gautam and requested him to pay the above amount. On 21.04.2023, Mr. Gopikishan has sent Notice to the Complainant. In the said notice Mr. Gopikishan Makharia contended that the Complainant has entered into agreement to purchase the land of the Accused which is situated at Bhiwani, Jonpal Tahasil, Haryana for consideration of Rs.9 Crore. As per the said agreement, the amount of Rs.2,25,00,000 adjusted towards the earnest amount of the sale agreement of the land and therefore, sum of Rs.6,75,00,000 is due and payable by the Complainant to Mr. Gautam in view of the agreement to sell. As the Complainant has not complied the said agreement within time, the sum of Rs.2,25,00,000 has been seized in the said transaction.

However, the Complainant never entered into agreement to sell with the Mr. Gautam. It was Mr. Punit Makharia, Mr. Gopikishan Makharia and broker Mr. Piyush Kachliya who are in furtherance of their common intention cheated the Complainant, thus prepared forged notarized agreement by making forged signature of the Complainant. Later after receiving the said notice an FIR no. 78 of 2024 was lodged on 29.01.2024 against the Mr. Gautam.

On 18.01.2024 an Anticipatory Bail Application No. 100165 of 2024 was filed by Mr. Gautam at City Session Court, Mumbai, contended that the Complainant expressed his desire to purchase the property belongs to the Mr. Gautam, a Memorandum of Understanding (MOU) was entered between the Complainant and Mr. Gautam and said amount of Rs.2,25,00,000/- as advance towards the purchase of land. He further argued that the transaction is purely civil in nature and question of any criminality is not involved in the matter and that the Complainant is involved in several cheating cases and he filed this complaint to extort money, which was rejected by the Hon'ble Court stating that in the reply of Investigation Officer (IO) the alleged MOU is dated 29.12.2020 executed before the Notary. However, the register of the Notary is not traceable. Moreover, the original MOU is misplaced from Mr. Gopikishan Makharia. Thus, the original MOU is not available. According to IO, it seems that the signatures on the said MOU are forged. The said notarized document is forged and fabricated prepared by Mr. Gautam, Mr. Punit Makharia, Mr. Gopikishan Makharia, broker Mr. Piyush Kachliya and Advocate Mr. Tribhuwanath Gangaprasad Sharma. The IO has filed application before Deputy Commissioner of Police for permission to register crime and the said application is in process. As a huge amount is involved and signatures on alleged notarized documents yet to be verified. There is no registered agreement to sell. Considering the nature of offence and facts mentioned above, it seems that the interrogation with accused/applicant is necessary. Hence the bail stands rejected and FIR was registered thereafter.

The investigation is in process.

#### **Litigation filed against our Promoter and Directors**

#### **E. Outstanding Civil Cases involving our Promoters and Directors**

As on 15.03.2024, a default in repayment of Loans is showing on Watchout Investor's website i.e., [www.watchoutinvestors.com](http://www.watchoutinvestors.com) against our Promoter Mr. Arif Ismail Merchant of an amount of Rs. 1,80,47,230 (Rupees One Crore Eighty Lakhs Forty-Seven Thousand Two Hundred Thirty only) with DCB Bank Limited as on 02.12.2017.

However, the same Loan has been Foreclose/settled with the Bank via Loan Accounts No.: HHOMANE00056631 and HHOMANE00056631 on 28.08.2018 and 31.08.2018 respectively through letter Ref No.: MUM/01/56631/56631/23.08.2018 and MUM/01/56631/56641/23.08.2018.

#### **F. Outstanding Criminal Cases involving our Promoters and Directors**

\*All Criminal cases filed against our directors are same as the cases filed against our Company. To avoid repetition, the cases have not shown under the above heading.

## G. Revenue proceedings involving our Promoters and Directors

### Direct Tax Proceedings

- a. Except the following, Promoter and Directors has not received any outstanding demand notice from Income Tax Department:

Amount in Rupees (Rs)							
Sl No.	Director/Promoter Name	Assessment Year	Date of Demand	Demand Reference Number	Demand Raised u/s.	Demand Outstanding Amount	Final Interest
1.	Arif Esmail Merchant (Promoter and Director)	2019	08.12.2020	2020201937022383094T	143(1)(a)	1,000	-
		2017	15.09.2018	2018201737033846010T	143(1)(a)	1,08,670	-
2.	Hashim Arif Merchant (Director)	2017	23.04.2018	2018201737004811444T	143(1)(a)	-	20,391
<b>Total</b>						<b>1,30,061</b>	

- b. Except the following, there are no e-proceeding showing on the website of Income Tax against the director/promoter, the amount has not been crystallized yet:

Sl No.	Director/Promoter	Defective Notice / Issue Letter	Return Acknowledgement No.	Assessment Year	Status
1.	Arif Esmail Merchant (Promoter and Director)	U/s 139(9)	910580381311222	2022-23	Pending
		U/s 139(9)	561967011300318	2016-17	Pending
		U/s 139(9)	510088581171016	2016-17	Pending
		Issue Letter	-	2016-17	Pending
2.	Hasim Arif Merchant (Director)	U/s 139(9)	875027011311015	2015-16	Pending
		Issue Letter	-	2017-18	Pending

**Please Note:** Our director Mr. Arif Esmail Merchant (also Promoter) and Mr. Hashim Arif Merchant has not filed Income Tax Return (ITR) for the FY 2023-24 as on filing this Draft Prospectus.

## H. Pending action by statutory or regulatory authorities against any of our Promoters and Directors

- An investigation had initiated by Inspector of Central Goods and Services Tax & Central Excise, Mumbai Central Commissionerate (the Department) involving an offence under section 132 of the Central Goods and Services Tax Act, 2017 (the 'CGST Act') and in the matter of Section 437 of the Code of Criminal procedure 1973 via file no.: V/AE/MC/TF-VII/Citychem/55/2022 filed on July 15, 2022 against one of our director Mr. Hashim Merchant involving our Company i.e., Citichem India Limited and its related entities i.e., H M Megabrands Private Limited, M/s. H M enterprises and M/s. General Chemical industries operated by the owner which deals in various commodities namely garments, trunks, petroleum oil, etc. were indulging in GST evasion by way of availment and utilization of Fake ITC on the strength of bogus Invoices. The allegation levelled by the department is that it is their contention that group companies owned and/or operated by Mr. Hashim Merchant had availed inadmissible Input Tax Credit (ITC) worth Rs.34.38 Crores. A remand Application no.: 752 of 2022 have been also filed against our director, Mr. Hashim Merchant. In said remand application, it states that the ineligible ITC availed in following transactions (i) Fraudulent ITC without receipt of goods in Citichem and Megabrands of Rs. 4,41,00,000 (Rupees Four Crore Forty-One Lakhs only); (ii) Stock differences in Megabrands, General Chemical Industries and HM Enterprises of Rs. 1,93,00,000 (Rupees One Crore Ninety-Three Lakhs only) and (iii) Transactions between group entities without actual supply of goods of Rs. 28,04,00,000 (Rupees Twenty-Eight Crore Four Lakhs only) against which a bail Application No. 1941 of 2022 has been filed by Mr. Hashim Merchant in the court of Ld. Metropolitan Magistrate Court, Esplanade, Mumbai. Bail has been granted on 29.08.2022.

The matter is currently pending before the Authority.

## **I. Proceedings initiated against our Promoter and Director for economic offences**

1. A Complaint was registered on FIR 89 of 2023 (First FIR) (EOW CR No. 16 of 2023) and FIR. No.174 of 2023(second FIR) with the Economic Offences Wing (EOW) at Pydhoni Police Station, Mumbai for the offence punishable under Section 420 r/w Section 34 of the Indian Penal Code, 1860 (IPC) on 29.04.2023 against our directors i.e., Mr. Hashim Arif Merchant and Mr. Asif Esmail Merchant by Mr. Mohanlal Satyanarayan Agarwal, director of Agarwal Chem Products(India) Private Limited(hereinafter referred as 'the Complainant') for financial cheating of Rs.25,12,54,611/- (Rupees Twenty Five Crore Twelve Lakhs Fifty Four Thousand Six Hundred Eleven only) against the material purchased by our Company from the Complainant. However, the Hon'ble Court has quashed the first FIR, stating that the content of both FIR were same and was filed against the same person and admitting the second FIR.

However, against the said complaint filed before EOW, a final anticipatory bail order has been taken via an Anticipatory Bail Application no.: ABA/ 101161/2023 on 29.09.2023 on furnishing PR and surety bond of Rs. 2,00,000 (Rupees Two Lakhs Only) on each director and on other terms as directed by the Hon'ble Court. However, the Complainant has appealed on 10.11.2023 vide Criminal Application No.46 of 2024 before Hon'ble High Court against the said bail order. The Complaint has challenged the bail order made by Hon'ble Session Court in favour of our directors. Also, a reply has been filed against said appeal by our directors. The said matter is pending before the Hon'ble Court.

The Complaint is under investigation.

## **III. LITIGATION INVOLVING OUR SUBSIDIARY COMPANIES AND GROUP COMPANIES**

As on date of filing the Draft Prospectus Company have no subsidiary Company.

### **Outstanding Civil Litigation Involving Group Companies**

#### **A. Litigation filed against our Group Company**

1. A Summary Suit has been filed (Case Registration No. 100419/2017) by Mr. Ayushman Khurana (hereinafter referred as the 'Plaintiff') against our Group Company i.e., HM Megabrands Private Limited to recover a sum of Rs. 21,19,342 (Rupees Twenty one Lakhs Nineteen Thousand Three Hundred Forty-Two Only) including interest @18% p.a. from filing the suit till the date of realization. As per the Suit our Group Company has approached the Plaintiff to list its Goods/Merchandise on Amazon through Plaintiff Account. It was agreed mutually that the Plaintiff will have to maintain inventory of 2000 shoes at any point of time with Amazon for which the Plaintiff have to deposit an amount of Rs. 20,00,000 (Rupees Twenty Lakhs only) with our Group Company as a deposit of refundable security. On 30.01.2015, our Group Company informed the Plaintiff to delist all Goods/Merchandise on Amazon through Plaintiff Account. It was assured by our Group company that once the unsold goods/stock are inwarded at group company's warehouse and after reconciliation of inventory is done, security deposit would be returned to the Plaintiff within a week. However, the same has not been returned to the Plaintiff. Hence, the suit was filed. The next date of hearing is on 25.06.2024.

The matter is pending before the Hon'ble Court.

2. A case No.: CS (COMM) 707/2016 has been filed by H&M Hennes & Mauritz AB & another against our group Company i.e., HM Megabrands Private Limited in 2016 under Section 124 of the Trademark Act, 1999 in the Delhi High Court. The case has been filed on the Mark 'HM' being used by our Group Company.

The matter is currently pending.

3. As on 02.04.2024, a default in repayment of Loan is showing on Watchout Investor's website i.e., [www.watchoutinvestors.com](http://www.watchoutinvestors.com) in tune of an amount of Rs. 2,67,89,659 (Rupees Two Crore Sixty-Seven Lakhs Eighty-Nine Thousand Six Hundred Fifty Nine only) as on 09.05.2018 with Bank of India.

#### **B. Revenue proceedings involving our Group Company**

##### **Direct Tax Proceedings**

- a. Except the following, our group Company has not received any outstanding demand notice from Income Tax Department:

Sl No.	Assessment Year	Date of Demand	Demand Reference Number	Demand Raised u/s.	Demand Outstanding Amount	Final Interest	Total Amount
1.	2019	23.04.2021	2021201937000699002C	154	27,089	54	27,143
2.	2021	26.06.2023	2023202140412623263C	272A(1)(d)	30,000	3,000	33,000
3.	2022	28.03.2024	2023202237246546273C	144	8,55,410	85,540	940,950
4.	2017	26.07.2018	2018201737025740303C	143(1)(a)	63,360	-	63,360
5.	2021	26.06.2023	2023202140412623230C	271B	1,50,000	16,500	1,66,500
6.	2020	18.12.2021	2021202037029570362C	143(1)(a)	5,01,770	1,45,493	6,47,263
7.	2021	21.12.2022	2022202137139765852C	143(3)	3,45,82,460	65,70,656	4,11,53,116
<b>Total</b>							<b>4,30,31,332</b>

- b. Except the following, there are no e-proceeding showing on the website of Income Tax against our Group Company, the amount has not been crystalized yet:

Sl No.	Defective Notice / Issue Letter	Return Acknowledgement No.	Assessment Year	Status
1.	Assessment Proceeding U/s 147	100078065429	2020-21	Open
2.	Defective Notice U/s 139(9)	371938020150322	2021-22	Pending
3.	Defective Notice U/s 139(9)	448225201290319	2018-19	Pending
4.	Defective Notice U/s 139(9)	562297831300318	2016-17	Pending
5.	Defective Notice U/s 139(9)	510710531171016	2016-17	Pending
6.	Defective Notice U/s 139(9)	875111861311015	2015-16	Pending
7.	Recovery Process	ITBA/RCV/S/221/2019-20/1023918915(1)	2015-16	Open
8.	Issue Letter	ITBA/COM/F/17/2023-24/1054547372(1)	NA	Open

\*NA-Not Available

Please Note: Our Group Company has not filed Income Tax Return for the AY 2023-24 as on filing the Draft Prospectus.

## Indirect Tax Proceedings

### 1. TDS Defaults

The following are the TDS defaults showing on the TRACES websites as on date of filing the Draft Prospectus:

Financial Year	Short Deduction	Interest on Payment Defaults U/s 201	Interest on Deduction Defaults U/s 201	Late Filing Fee U/s 234E	Interest U/s 220(2)	Total Default
2020-21	0.00	0.00	0.00	1,400.00	0.00	1,400.00
Prior Years	1,31,562.27	234,022.00	20,333.00	7,44,800.00	0.00	11,30,717.27
<b>Total</b>	<b>1,31,562.27</b>	<b>234,022.00</b>	<b>20,333.00</b>	<b>746,200.00</b>	<b>0.00</b>	<b>11,32,117.27</b>

## C. Civil Litigation filed by Our Group Company

1. A Securitisation Application OA/812/2023 (Dairy No. 418/2022) has been filed on 18.04.2022 in Debt Recovery Tribunal Mumbai (DRT 2) against Bank of India (hereinafter referred as 'BoI'). The BoI has granted a working facility to the tune of Rs. 2,50,00,000 (Rupees Two Crore Fifty Lakhs only) and Hypothecation of book debt of Rs. 75,00,000 (Rupees Seventy-Five Lakhs only) against the hypothecation of Book Debt and mortgage of property i.e, Flat No. 802 on 8th Floor, A Wing Building No. 2, Dudhwala Aqua Pearl Retreat Compound, Bellasis Road, Mumbai-400008, ICFL issued a demand notice of Rs. 2,78,09,755.36(Rupees Two Crore Seventy-Eight Lakhs Nine Thousand Seven Hundred Fifty-Five and Three Six only) towards alleged facility. A reply against said notice was also given by the Group Company as on 07.03.2022 and represented before the BoI Authority and ensure that they will bring the account in regular mode within the stipulated duration. The Group Company as per the terms and condition has also deposited Rs. 10,00,000 (Rupees Ten Lakh only) on



12.05.2022 and the holding on operation facility was extended for 6 months. However, BoI take the symbolic possession of the property on 04.07.2022 under section 13(4) of the SARFAESI Act.

Hence, the Application has been filed. The matter is currently pending.

2. A Trademark Suit has been filed in the Bombay High Court lodging No.: SL/1140/2015 by our group Company i.e., HM Megabrands Private Limited against M/s. H&M Hennes & Mauritz AB & Another (hereinafter referred as the "Opponent") on 26.10. 2015 under the Trade & Trade Merchandise Marks Act. Our group company using the Trademark from 2012, our director Mr. Hashim Merchant and his brother Mr. Hamza Merchant, considering the initials of both of them adopted a trademark "HM Megabrands" and carried our business of footwear, leather bags, belts, clutches etc, later they incorporated a company named 'HM Megabrands Private Limited'. In October, 2012 our group company made first Trademark application to protect the intellectual property. In September, 2015 our group company received notice from the Opponent stating to cease and desists use of said Trademarks against of which our group company through its advocates sent an interim reply sated October 15, 2015. The opponent issuing unjustifiable and groundless threats within meaning of section 142 of the Trademark Marks Act, 1999. Hence, our group company has filed the suit.

The matter is currently pending.

#### **D. Other Litigation**

1. A Police complaint has been filed by our Group Company against Mr. Rushikesh Jitendrakumar Bhatt, the Proprietor and its Proprietorship firm M/s. A.R Chemicals on 09.01.2020 for cheating, playing fraud, forgery and breach of trust. Our Group Company has placed an order with A. R. Chemicals, order bearing no.100 dated 25.12.2019 for purchase of Chemical Material i.e., Caustic Soda Flakes GACL, Quantity 50,000 K.G. on 25.12.2019 to Mr. Rakesh Jitendrakumar Bhatt. Two invoices bearing no.(i) Ex-16/12/19-20 dated 27.12.2019 for Rs. 9,58,750 (Rupees Nine Lakhs Fifty-Eight Thousand Seven Hundred Fifty only) and (ii) Ex-17/12/19-20 dated 27.12.2019 for Rs. 9,58,750 (Rupees Nine Lakhs Fifty-Eight Thousand Seven Hundred Fifty only) and along with the E-way bill No. 261164050962 and 261164051718 dated 12.12.2019 were issued. The invoices were raised against the purchase order made by the Group Company. However, materials were never delivered to the Group Company. Mr. Bhatt grabbed the money by cheating our Group Company. Hence, the complaint has been filed.

#### **IV. OUTSTANDING DUES TO CREDITORS**

Our Board has, pursuant to its resolution dated April 01, 2024, approved that all creditors of our Company to whom the amount due by our company exceeds ₹344.91 lakh, i.e. 5 % of trade payables of our Company as of January 31, 2024 as per the restated financial information of our company shall be considered "Material" creditors of our company.

The outstanding dues owed to small scale undertakings and other creditors, separately, giving details of number of cases and amounts for all dues where each of the dues exceeds ₹ 344.91 lakh as on January 31, 2024, is set out below:

<b>Material creditors</b>	<b>Number of cases</b>	<b>Amount involved (Rs. In lakhs)</b>
Small scale undertakings	2	4,032.00
Other creditors	2	831.32(approx)
<b>Total</b>	<b>4</b>	<b>4,863.32</b>

The details pertaining to outstanding dues towards our creditors are available on the website of our company at [www.citichemindia.com](http://www.citichemindia.com). It is clarified that such details available on our website do not form a part of this Draft Prospectus. Anyone placing reliance on any other source of information, including our company's website, [www.citichemindia.com](http://www.citichemindia.com), would be doing so at their own risk.

#### **V. MATERIAL DEVELOPMENTS SINCE LAST RESTATED FINANCIAL STATEMENTS**

Except as stated below and other than as disclosed under section titled "*management's discussion and analysis of financial condition and results of operations*" beginning on page 175 of this Draft Prospectus, in the opinion of the board, there has not arisen, since the date of the last balance sheet included in this Draft Prospectus, any circumstance that materially and

adversely affects or is likely to affect the trading or profitability of our company taken as a whole or the value of our consolidated assets or our ability to pay our liabilities over the next twelve (12) months.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and various other government agencies/ regulatory authorities/ certification bodies required to undertake this issue and to continue our present business activities.

In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the below approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see the section titled '*Key Industry Regulations and Policies*' at page 110 of this Draft Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### I. APPROVALS FOR THE ISSUE

#### A. Corporate Approvals

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on April 01, 2024, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1) (c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held April 24, 2024, authorized the Issue.

#### B. Approval from the Stock Exchange

In-principle approval dated [●] from stock exchange for using the name of the Exchange in its offer documents for listing of the Equity Shares issued by our Company pursuant to the Issue.

#### C. Agreements with NSDL and CDSL

1. The Company has entered into tripartite agreement dated 1<sup>st</sup> June, 2024 with the National Securities Depository Limited ('NSDL') and the Registrar and Transfer Agent, who in this case is Kfin Technologies Limited for the dematerialization of its Equity Shares.
2. Similarly, the Company has also entered into tripartite agreement dated 21<sup>st</sup> March 2023 with the Central Depository Services (India) Limited ('CDSL') and the Registrar and Transfer Agent, who in this case is Kfin Technologies Limited for the dematerialization of its Equity Shares.
3. The International Securities Identification Number (ISIN) of our Company is INE0A8401016.

### II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

- A. Certificate of Incorporation dated March 18, 1992, issued by the Registrar of Companies, Maharashtra in the name of 'Citichem Alkalies (Bombay) Private Limited' with registration number 11-65975 of 92.
- B. Certificate of Incorporation dated March 23, 1999, issued by the Registrar of Companies, Maharashtra in pursuant to change in name from 'Citichem Alkalies (Bombay) Private Limited' to 'Citichem Alkalies (Bombay) Limited'.
- C. Certificate of Incorporation dated April 17, 1999, issued by the Registrar of Companies, Maharashtra in pursuant to change



in name from 'Citichem Alkalies (Bombay) Limited' to 'Citichem India Limited'.

D. The Corporate Identification Number (CIN) of our Company is U24100MH1992PLC065975.

### III. GENERAL APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. BUSINESS AND INDUSTRY SPECIFIC APPROVALS


Sr. No.	Description	Applicable laws	Issued By	Registration/Application Number	Date of Certificate	Date of Expiry
	Certificate of Incorporation of the Company in the name of 'Citichem India Limited'	The Companies Act, 2013	Deputy Registrar of Companies	U24100MH1992PLC065975	*NA	Valid till Cancel
	Import-Export Code	The Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce and Industry	0397074654	December 23, 1997	Valid till Cancel
	State FSSAI License	The Food and Safety and Standards Act, 2006	Designated Officer & Assistant Commissioner (Food)-Zone-V Food & Drug Administration (MS), Thane	11519018000620	December 19, 2019	December 18, 2024

#### B. TAXATION LAWS

Sr. No.	Description	Applicable laws	Authority	Registration Number	Date of Certificate	Date of Expiry
	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AACCC9682M	March 18, 1992	Valid until cancellation
	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department	MUMC11608C	*NA	Valid until cancellation
	Goods & Service Tax Registration Certificate	Central Goods and Service Tax Act 2017	Government of India	27AACCC9682M1ZZ	September 01, 2017	Valid until cancellation
	Goods & Service Tax Registration Certificate	Central Goods and Service Tax Act 2017	Government of India	24AACCC9682M1Z5	December 18, 2019	Valid until cancellation

#### C. INTELLECTUAL PROPERTY

As on date of the Draft Prospectus, the Company has the following Trademark pending application:

Sr No.	Brand Name/Logo Trademark	Class	Application No.	Nature of the Trademark	Application Date	Status
1.		1	5488081	Device	June 14, 2022	Objected
2.	CITICHEM	1	5488137	Word	June 14, 2022	Objected

#### D. THE DETAILS OF THE DOMAIN NAME IN THE NAME OF OUR COMPANY:

Domain name	Sponsoring Registrar and IANA ID	Creation Date	Expiry Date
www.citichemindia.com	BigRock Solutions Limited IANA ID: 1495	January 27, 2019	January 27, 2028

\*Due to shifting of registered office these documents are not traceable, hence not available.

**E. KEY APPROVALS YET TO BE APPLIED BY OUR COMPANY**

1. Our Company yet to apply registration certificate under The Maharashtra State Tax on Professions, Trade, Callings and Employments Act, 1975.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Issue in terms of this Draft Prospectus has been authorized pursuant to the resolution passed by the Board of Directors dated April 01, 2024, and by the shareholders pursuant to the special resolution passed in Extra-Ordinary General Meeting dated April 24, 2024, under Section 62(1)(c) of the Companies Act, 2013.

Our Company has also obtained all necessary contractual approvals required for the Issue. For further details, refer to the chapter titled ***‘Government and Other Approvals’*** beginning on page 200 of this Draft Prospectus.

Our Company has obtained in-principle approval from the SME platform of the BSE (BSE SME) for using its name in the Draft Prospectus pursuant to an approval letter dated [●], BSE Limited is the Designated Stock Exchange.

### IN-PRINCIPLE LISTING APPROVALS

Our Company has obtained in-principle approval from BSE SME by way of its letter dated [●] to use the name of BSE SME in this Draft Prospectus for listing of its Equity Shares on the BSE SME. BSE SME is the Designated Stock Exchange.

### PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, our Directors, our Promoters, Promoter Group, our Directors or the persons in control of our Company have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

There are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which any of our Company, our Promoter, Directors, persons in control of our Company are or were associated as a promoter, director or person in control, been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or director.

Further none of our Promoters or Directors has been declared as fugitive economic offender under Fugitive Economic Offenders Act, 2018.

The listing of any securities of our Company has never been refused by any of the stock exchanges in India.

### PROHIBITION BY RBI

Neither our Company, nor our Promoters, our Directors, relatives (as per Companies Act, 2013) of the Promoters or the persons in control of our Company have been identified as a wilful defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under section titled ***‘Outstanding Litigation and Material Developments’*** beginning on page 184 of this Draft Prospectus.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (‘SBO Rules’), to the extent applicable, as on the date of the Draft Prospectus.

### ELIGIBILITY FOR THE ISSUE

Our Company is not ineligible in terms of Regulation 228 and Regulation 230(1) of SEBI (ICDR) Regulations, 2018 for this Issue.

Our Company is an ‘unlisted issuer’ in terms of the SEBI (ICDR) Regulations; and this Issue is an ‘Initial Public Issue’ in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229 (1) of the SEBI (ICDR) Regulations, and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue paid up Equity Share capital is less than or equal to Rs10.00 Crores and we may hence, issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the ‘SME Platform of BSE Limited (BSE SME)’).

**We confirm that:**

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue is 100.00% (Hundred Percent) underwritten and shall not be restricted to minimum subscription level. The Lead Manager to the Issue shall underwrite minimum 15.00% (Fifteen Percent) of the total Issue Size. For further details, pertaining to said underwriting please refer to the paragraph titled ‘*Underwriting*’ under the section titled ‘*General Information*’ on page 52 of this Draft Prospectus.

In accordance with Regulation 268 (1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.

We have filed this Draft Prospectus with stock exchange. In accordance with Regulation 246 the SEBI (ICDR), Regulations, the copy of Draft Prospectus shall also be submitted to SEBI. However, SEBI shall not issue any observations on our Draft Prospectus.

In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Lead Manager to the Issue and Market Maker to ensure compulsory market making for a minimum period of three (3) years from the date of listing of Equity Shares on BSE SME. For further details of the arrangement of market making please refer to the paragraph titled ‘*Details of the Market Making Arrangements for this Issue*’ under the section titled ‘*General Information*’ on page 52 of this Draft Prospectus. The post-issue paid up Equity Share capital of our Company shall not be more than Rs [•] Crore. The post-issue paid-up Equity Share capital of our company shall be Rs [•] Lakhs.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

**BSE ELIGIBILITY NORMS**

***The company is incorporated under the Companies Act, 1957/2013.***

Our Company was incorporated as ‘Citichem Alkalies (Bombay) Private Limited’ pursuant to a Certificate of Incorporation dated March 18, 1992, issued by the Registrar of Companies, Maharashtra, as a private company under the provisions of the Companies Act, 1956. Further, our Company was converted into public limited company and consequently name of our Company was changed from ‘Citichem Alkalies (Bombay) Private Limited’ to ‘Citichem Alkalies (Bombay) Limited’ vide special resolution passed by the shareholders of the Company at an extra-ordinary general meeting held on March 01, 1999, and a fresh certificate of incorporation dated March 12, 1999 was issued by Registrar of Companies, Maharashtra. Thereafter, pursuant to fresh certificate of incorporation dated April 17, 1999, the name of our company has been changed from ‘Citichem Alkalies (Bombay) Limited’ to ‘Citichem India Ltd’. The Corporate Identification Number of our Company is U24100MH1992PLC065975.

***The post-issue paid-up equity share capital of the company shall not be more than Rs 25.00 Crores.***

The post-Issue paid-up Equity Share capital of our Company will be upto 68,00,000 Equity Shares aggregating up to Rs 6.80 crores which is less than Rs 25.00 crores.

***Net tangible assets shall not be less Rs 3.00 Crores.***

As on March 31, 2023, the company has net tangible assets of Rs. 7,972.53 Lakhs.

***Track Record***

The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.

### *Earnings before Interest, Depreciation and tax and Networth*

The Company confirms that it has operating profits (earnings before interest, depreciation and tax) from operations for atleast 2 financial years preceding the application and its net worth as on January 31, 2024, March 31, 2023, March 31, 2022 and March 31, 2021 is atleast Rs. 1 crore for preceding 2 (full) financial years.

(Rs. in Lakhs)

Particulars	January 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
EBITDA	120.18	58.40	44.71	31.99
Networth	689.35	613.27	577.01	59.88

The Net worth computation is as per the definition given in SEBI (ICDR) Regulations.

### *Leverage Ratio*

Leverage ratio of not more than 3:1. Relaxation may be granted to finance companies.

***It is mandatory for a company to have a website.***

Our Company has website i.e. [www.citichem.com](http://www.citichem.com)

***It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.***

Our Company shall mandatorily facilitate trading in demat securities and have entered into an agreement with both the depository.

100% of the Promoter's shareholding in our Company is in Dematerialised form.

Our Company confirms that no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.

Our Company confirms that the Promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and neither they are the promoters or directors of such companies on which the consequences of compulsory delisting is applicable/attracted or companies that are suspended from trading on account of noncompliance.

Our company confirms that our directors are not disqualified/ debarred by any of the Regulatory Authority.

The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.

Our Company confirms that there has not been any change in its name in last 1 year.

Our company confirm that there are no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.

The Company has not been referred to NCLT under IBC.

There is no winding up petition against our Company that has been admitted by the Court, nor a liquidator has been appointed of competent jurisdiction against our Company.

There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE SME.

The provisions of Regulation 25 (4), Regulation 25 (5), Regulation 25 (2), Regulation 99, Regulation 4, Regulation 6(1), Regulation 103 and Regulation 47 (2) of SEBI (ICDR) Regulations, 2018 shall not apply to us in this Issue.

We confirm that we comply with all the above requirements/ conditions so as to be eligible to be listed on BSE SME.

### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations. Further, no exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, with respect to this Issue.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of the Draft Prospectus

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)/ STOCK EXCHANGE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI/ STOCK EXCHANGE. SEBI/ STOCK EXCHANGE DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT PROSPECTUS. THE LEAD MANAGER TO THE ISSUE, HORIZON MANAGEMENT PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER TO THE ISSUE, HORIZON MANAGEMENT PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER TO THE ISSUE HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED TUESDAY, APRIL 18, 2023 WHICH READS AS FOLLOWS:**

**WE, THE UNDER NOTED LEAD MANAGER TO THE ISSUE TO THE ABOVE-MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS ETC FRAMED/ ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE MATERIAL DISCLOSURES MADE IN THE DRAFT PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE**

**SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

- 3) **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID;**
- 4) **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS - NOTED FOR COMPLIANCE;**
- 5) **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS;**
- 6) **WE CERTIFY THAT REGULATION 237 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO THE COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS;**
- 7) **WE UNDERTAKE THAT SUB-REGULATION (2) OF REGULATION 236 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE;**
- 8) **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE;**
- 9) **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;**
- 10) **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**
  - A. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**
  - B. **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 11) **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND**

**DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHILE MAKING THE ISSUE. - NOTED FOR COMPLIANCE;**

- 12) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC;**
- 13) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;**
- 14) WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.;**
- 15) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER TO THE ISSUE IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- 1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY;**
- 2) WE CONFIRM THAT THE DRAFT PROSPECTUSS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.- NOTED FOR COMPLIANCE;**
- 3) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN;**
- 4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER- NOTED FOR COMPLIANCE;**
- 5) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND REGULATION 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, HAVE BEEN MADE- NOTED FOR COMPLIANCE;**
- 6) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY-FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE DRAFT PROSPECTUS WITH THE REGISTRAR OF COMPANIES AND WITH THE SME EXCHANGE;**



**TABLE 1****DISCLOSURE OF PRICE INFORMATION OF PAST ISSUE HANDLED BY MERCHANT BANKER**

Sr. no	Issue Name	Issue Size (Rs Cr.)	Issue Price (Rs)	Listing Date	Opening Price on Listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing		+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing		+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing	
1	Cosmic CRF Limited	57.21	314	June 30, 2023	251.2	-17.17%	2.80%	-21.66%	1.71%	95.86%	11.31%
2	Baba Food Processing (India) Limited	32.88	76	November 15, 2023	76	-11.58%	7.66%	-27.04%	NA	NA	NA
3	M.V.K. Agro Food Product Ltd	65.88	120	March 7, 2024	79	-56%	0%	-66%	3%	NA	NA
4	Shree Karni Fabcom Limited	42.29	227	March 14, 2024	260	101%	2%	207%	5%	NA	NA
5	Veritaas Advertising Limited	8.48	114	May 21, 2024	275	NA	NA	NA	NA	NA	NA

**TABLE 2****SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total No. of IPOs	Total Amount of fund raised (Rs in Cr.)	No. of IPOs trading at discount - 30th Calendar days from listing			No. of IPOs trading at premium - 30th days from the listing			No. of IPOs trading at discount -180th days from the listing			No. of IPOs trading at discount -180th days from the listing		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25% - 50%	Less than 25%
2023-24	4	198.26	1	Nil	2	1	Nil	Nil	Nil	1	Nil	1	Nil	Nil
2024-25	1	8.48	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Source: <https://www.bseindia.com/index.html> ( BSE SME)

The filing of the Draft Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/ or other clearances, as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead Manager to the Issue any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Prospectus with the Registrar of Companies, Mumbai, in terms of Section 26, Section 32 and Section 33 of the Companies Act, 2013.

#### **DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER TO THE ISSUE**

Our Company and the Lead Manager to the Issue accept no responsibility for statements made otherwise than those contained in the Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager to the Issue accepts no responsibility, save to the limited extent as, provided in the Issue Agreement entered between the Lead Manager to the Issue and our Company on Wednesday April 24, 2024, and the Underwriting Agreement dated [●], 2023 entered into between the Underwriters and our Company and the Market Making Agreement dated [●], 2023 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Lead Manager to the Issue to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager to the Issue may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **CAUTION**

Applicants who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters 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 their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2 (72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs2,500.00 Lakhs and pension funds with a minimum corpus of Rs2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company.

The Draft Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe for Equity Shares Issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue, will be subject to jurisdiction of the competent court(s) only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and the Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE SME**

As required, a copy of this Draft Prospectus has been submitted to BSE SME. BSE SME has given vide its letter [●] dated [●] permission to the Issuer to use the its's name in this Draft Prospectus on which our Company's Equity Shares are proposed to be listed. BSE SME has scrutinized Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that the aforesaid permission given by BSE SME should not in any way be deemed or construed that the Draft Prospectus has been cleared or approved by BSE SME; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that our Company's Equity Shares will be listed or will continue to be listed on the stock exchange; nor does it take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of this our Company.

Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the stock exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended, 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 under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be Issued and sold outside the United States in compliance with Regulation S of the 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.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **FILING**

This Draft Prospectus is being filed with BSE SME, BSE Ltd., 25 Th Floor, P.J.Towers, Dalal Street, Fort, Mumbai - 400 001, India.

In accordance with Regulation 246 (5) the SEBI (ICDR), Regulations, the soft copy of Draft Prospectus shall also be submitted to SEBI at Plot No. C 4- A, G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051 India, simultaneously with the BSE SME Platform. However, SEBI shall not issue any observations on our Draft Prospectus.

A copy of the Draft Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Mumbai, at Registrar Of Companies, 100, Everest, Marine Drive, Mumbai- 400002, Maharastra, India.

## LISTING

The Equity Shares of our Company are proposed to be listed on BSE SME platform of the BSE. Our Company has obtained in-principle approval from BSE SME by way of its letter dated [●] for listing of equity shares on SME Platform of BSE i.e. BSE SME.

BSE SME will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE SME, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with interest at the rate as prescribed under the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE SME platform of the Bombay Stock Exchange Limited mentioned above are taken within Six (6) Working Days of 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 to action under section 447 of the Companies, Act 2013. ’*

## CONSENTS

Consents in writing from our Directors, Promoters and Compliance Officer, Chief Financial Officer, Statutory Auditor, Key Managerial Personnel, Peer Review Auditor, Bankers to the Company, Lead Manager to the Issue, Registrar to the Issue, Banker to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue, to act in their respective capacities shall be obtained as required as required under section 26 of the Companies Act, 2013; and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such Consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, GGPS & Associates, Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on **‘Statement of Possible Special Tax Benefits’** relating to the possible tax benefits and restated financial statements as included in the Draft Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Prospectus.

## EXPERTS OPINION

Except for the reports in the section **‘Financial Information’** and **‘Statement of Possible Special Tax Benefits’** beginning on page 140 and 90 of this Draft Prospectus from the Peer Review Auditors, our Company has not obtained any expert opinions. For the sake of clarity, the term ‘expert’ shall not be construed to mean an ‘expert’ as defined under the U.S. Securities Act 1933.

## EXPENSES OF THE ISSUE

The Estimated Issue Expenses are as under:

Activity	Expenses (Rs in Lakhs)	% of Total Estimated Issue Expenditure	% of Issue Size
Payment to the Lead Manager to the Issue including, Underwriting and Selling commissions, Brokerages, payment to other intermediaries such as Legal Advisors, Registrar to the Issue, Bankers etc. and other Out of Pocket Expenses	[•]	[•]	[•]
Printing and Stationery and Postage Expenses Advertising and Marketing Expenses Regulatory Fee and Expenses	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]

### Fees, Brokerage and Selling Commission payable to the Lead Manager to the Issue

The total fees payable to the Lead Manager to the Issue will be as per the (i) Issue Agreement dated April 07, 2023 with the Lead Manager to the Issue, Horizon Management Private Limited, (ii) the Underwriting Agreement dated [•], 2023 Underwriter [•] and (iii) the Market Making Agreement dated [•], 2023 with Market Maker [•], a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on all Working Days from the date of the Draft Prospectus until the Issue Closing Date.

### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of Applications, data entry, printing of refund orders, preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated March 27, 2023 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket Expenses including cost of stationery, postage, stamp duty, and communication Expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to make refunds in any of the modes described in the Draft Prospectus or send allotment advice by registered post/speed post.

## PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Our Company has not made any previous public issue in India or abroad in the five (5) years preceding the date of the Draft Prospectus.

Except as disclosed, hereinafter our Company has not made any previous rights issue in India or abroad in the five (5) years preceding the date of the Draft Prospectus:

### Previous issues of Equity Shares otherwise than for cash

For detailed description, please refer to section titled '*Capital Structure*' beginning on page 65 of this Draft Prospectus.

### Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the Initial Public Issue of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated under section titled '*Capital Structure*' beginning on page 65 of this Draft Prospectus, our Company has not undertaken any previous public or rights issue.

Further, our Company does not have any group companies/ entities or associates, which are listed on any stock exchange.

**Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

Our Company does not have any group/ associate companies, therefore, performance vis-à-vis object of last issue of group/ associate companies is not applicable.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures, bonds, or redeemable preference shares as on the date of filing the Draft Prospectus.

**Outstanding Convertible Instruments**

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

**Option to Subscribe**

Equity Shares being issued through the Draft Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being a public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchanges.

**Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letter of allotment, or demat credit or where refunds are being made electronically, giving of unblocking instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or the collection centre of the SCSBs where the Application Form was submitted by the ASBA Applicants.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP-ID, Client-ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the Applicant shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

**Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Puja Sharma as the Company Secretary and Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Puja Sharma**

**Citichem India Ltd**

7, Floor-1, Plot-96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai Maharashtra- 400003

**Telephone:** +91-7506196222/ +91-9223432143

**Email-ID:** [citichemindia ltd@gmail.com](mailto:citichemindia ltd@gmail.com)/ [marketing@citichemindia.com](mailto:marketing@citichemindia.com)

**Website:** [www.citichemindia.com](http://www.citichemindia.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system 'SCORES'. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of the Draft Prospectus and hence there are no pending investor complaints as on the date of the Draft Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

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

There has been a change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus:

<b>Sr. No</b>	<b>Name of Auditors</b>	<b>From</b>	<b>To</b>
1	M/s MNN & Associates	30/09/2017	01/11/2021
2	M/s Vinay Yadav & Associates	02/11/2021	08/08/2022
3	M/s Sayed & Associates	10/08/2022	15/09/2023
4	NGST & Associates	20/09/2023	Present

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled '*Capital Structure*' beginning on page 65 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of the Draft Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchange. For details, please refer the section titled '*Statement of Possible Special Tax Benefits*' beginning on page 90 of this Draft Prospectus.

### **Purchase of Property**

Other than as disclosed under section titled '*Our Business*' beginning on page 103 of this Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which: -

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/ or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behaviour**

Except as stated in the Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed under section titled '*Our Management*' and the section titled '*Financial Statement - Annexure 32 – Restated Summary of Related Party Transactions*' beginning on page 122 and 167 of this Draft Prospectus respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.



## SECTION VII: ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being offered and allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, and the rules and regulations made thereunder, the ICDR Regulations, LODR Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, the abridged prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, RBI, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchange, RoC and/or any other authorities as in force on the date of the Issue and to the extent applicable.

For details in relation to Issue expenses, see “*Objects of the Issue*” and “*Other Regulatory and Statutory Disclosures*” on pages 75 and 203, respectively.

#### Authority for the Issue

The present Public Issue of up to 18,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 20, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on December 27, 2023 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### Ranking of Equity Shares

The Equity Shares being offered/allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including in respect of the right to receive dividend, voting and other corporate benefits, if any, declared by us after the date of Allotment. For further details, see ‘*Description of Equity Shares and Terms of Articles of Association*’ on page 277 of this Draft Prospectus.

#### Mode of payment of dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details in relation to dividends, see ‘*Dividend Policy*’ and ‘*Description of Equity Shares and Terms of Articles of Association*’ on pages 139 and 277, respectively, of this Draft Prospectus.

#### Face Value and Issue Price

The face value of each Equity Share is Rs10.00/- and the Issue Price is Rs [●] per Equity Share, being [●] times the face value of the Equity Shares.

The Issue Price will be decided by our Company in consultation with the Lead Manager and advertised in all editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, at least 2 Working Days prior to the Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading the same on their websites. The Issue Price, along with the relevant financial ratios, shall be pre-filled in the Application Forms available on the websites of the Stock Exchange.

At any given point of time there shall be only one denomination of Equity Shares.

## Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and 'e-voting', in accordance with the provisions of the Companies Act;
- 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 of Equity Shares, subject to applicable laws including rules and regulations prescribed by IRDAI or RBI; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see '*Description of Equity Shares and Terms of Articles of Association*' on page 277 of this Draft Prospectus.

## Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Share capital of our Company, which is subject to lock-in in accordance with the conditions prescribed by the ICDR Regulations, the minimum promoter's contribution lock-in of Equity Shares as detailed in '*Capital Structure*' on page 65 of this Draft Prospectus and the Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation or splitting, except as provided in the Articles of Association. For details, see '*Risk Factors*', '*Key Regulations and Policies*' and '*Description of Equity Shares and Terms of Articles of Association*' on pages 26, 110 and 277, respectively, of this Draft Prospectus.

## Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated March 21, 2023 amongst our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated June 1, 2024, between our Company, NSDL and the Registrar to the Offer.

## Minimum Application Value, Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the Platform of BSE Limited from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this draft prospectus 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 CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

For further details, see ‘*Offer Procedure*’ on page 228 of this Draft Prospectus.

### **Minimum Number of Allottees**

In accordance with Regulation 268 of ICDR Regulations, the minimum number of allottees in the Issue shall be 50 shareholders.

In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint holders with benefits of survivorship.

### **Nomination Facility to Applicant**

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, 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, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at 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 the production of such evidence as may be required by our Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interest, 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 Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change their nomination, they are requested to inform their respective Depository Participant.

### **Withdrawal of the Offer**

Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, at any time after Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice of withdrawal in the newspapers in which the pre-Offer advertisements were published, within 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 Lead Manager through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of UPI Applicants using the UPI Mechanism, to unblock the bank accounts of the ASBA Applicants and shall notify the Escrow Collection Bank to release the Application Amounts within 1 Working Day from the date of receipt of

such notification. Our Company shall also promptly inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with the Lead Manager, withdraw the Issue after the Issue Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft prospectus.

### Issue Programme

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

Event	Indicative Date
<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING</b>	[●] <sup>(1)</sup>
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds/ Unblocking of funds from ASBA Account <sup>(1)</sup>	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Designated Stock Exchange	On or about [●]

<sup>(1)</sup> 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 Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager 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 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 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/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. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company shall ensure the listing and commencement of trading of Equity Shares, within three Working Days from the closure of the Issue, in accordance with the timeline provided under the aforementioned circular.

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 Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and Designated Stock Exchange 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 Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such 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 LM is liable for any failure in uploading the 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 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 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.

**SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.**

#### **Submission of Applications:**

<b>Issue Period (except the Issue Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ('IST'))
<b>Issue Closing Date*</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

\* UPI mandate end time and date shall be at 05.00 pm on [●]

*On the Issue Closing Date, the Applications, shall be uploaded until:*

- 4.00 p.m. IST in case of Application by QIBs and Non-Institutional Investors, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Application by Retail Individual Investors.

On Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the Lead Manager to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the Application closure time from the Issue Opening Date till the Issue Closing Date by obtaining such information from the Stock Exchange. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the Lead Manager and the Registrar to the Offer on a daily basis, as per the format prescribed in SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

**It is clarified that Applications shall be processed only after the application monies are blocked in the ASBA Account and Applications not uploaded on the electronic bidding system or in respect of which the full Application 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 the time available for uploading the Applications on the Issue Closing Date, the Applications are advised to submit their Applications 1 day prior to the Issue Closing Date and, in any case, no later than 1:00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that, in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Applications not being uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Applications and any revision in Applications will only be accepted on Working Days. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 issued by BSE Limited, Applications and any revision in Applications shall not be accepted on Saturdays and public holidays as declared by the Stock Exchange. Applications by ASBA Applicants shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchange.

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

For the avoidance of doubt, it is clarified that Applications not uploaded on the electronic bidding system or in respect of which full Application Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.



**In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period for a minimum of 3 Working Days, subject to the Issue Period not exceeding 10 Working Days. Any revision in the 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 Lead Manager and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ('SCSBs'), other Designated Intermediaries and the Sponsor Bank, as applicable.**

#### **Minimum Subscription**

*In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.*

As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within four days from the closure of the issue, if there is a delay beyond such time, 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 as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of issue.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the application law of such jurisdiction.

#### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular CIR/MRD/DSA/06/2012 dated February 21, 2012, and the same may be modified by SME Platform of BSE Limited from time to time by giving prior notice to investors at large.

However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Designated Stock Exchange.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Allotment of Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

#### **Migration to Main Board**

As per the provisions of the Chapter IX of SEBI ICDR Regulations, the migration to the Main board of BSE from the SME Platform of BSE Limited on a later date shall be subject to the following:

- If the Paid-up Capital of our Company is likely to increase above Rs. 2500 Lakhs by virtue of any further issue of capital by way of Rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which our Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board

or

- If the Paid-up Capital of the company is more than Rs. 1000 Lakhs but below Rs. 2500 Lakhs, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

#### **Market Making**

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE Limited, wherein [●] Limited is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform of BSE Limited for a minimum period of three (3) years from the date of listing on the SME Platform of BSE Limited. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker please refer to Section titled, '*General Information - Details of the Market Making Arrangements for this Issue*' on page 52 of this Draft Prospectus.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

The Equity Shares 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 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, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued

or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.



## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of ICDR Regulations, whereby, an issuer whose post issue paid up capital is less than or equal to Rs1000 Lakhs, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange. For further details regarding the salient features and terms of such an issue, please refer to '*Terms of Issue*' and '*Issue Procedure*' on pages 217 and 228 respectively of this Draft Prospectus.

Our Company is proposing the public issue of upto 55,00,000 equity shares of face value of ₹ 10/- each of Citichem India Limited (the "**Company**" or the "**Issuer**", and such equity shares the "**Equity Share**") 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 Issue is a Fixed Price Issue.

Particulars	Net Issue to the Public	Market Maker Reservation Portion
Number of Equity Shares available for Allotment or allocation	[●] Equity Shares	[●] Equity Shares
Percentage of Issue size available for Allotment or allocation	[●] % of the Issue Size	[●] % of the Issue Size
Percentage of Post-Issue Paid-up Equity Share Capital	[●] % of the Post-Issue Paid-up Equity Share Capital	[●] % of the Post-Issue Paid-up Equity Share Capital
Basis of Allotment if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] Equity Shares and Further allotment in multiples of [●] Equity Shares each. For further details please refer to the section titled ‘ <i>Issue Procedure – Basis of Allotment</i> ’ on page <b>Error! Bookmark not defined.</b> of this Draft Prospectus.	Firm Arrangements
Mode of Application	Through ASBA Process or up to Rs [●] lakhs through UPI for Individual Investors.	Through ASBA Process only
Minimum Application Size		
For Retail Individual Investors	[●] Equity Shares at an Issue Price of Rs[●].00 per Equity Share, so that the application value doesn’t exceed Rs2 Lakhs	[●] Equity Shares at an Issue Price of Rs [●] per Equity Share
For Other than Retail Individual Investors	[●] Equity Shares at an Issue Price of Rs [●] per Equity Share, so that the application value exceeds Rs2 Lakhs	
Maximum Application Size		
For Retail Individual Investors	6000 Equity Shares at an Issue Price of Rs [●] per Equity Shares	[●] Equity Shares at an Issue Price of Rs [●] per Equity Share
For Other than Retail Individual Investors	Multiples of [●] Equity Shares at an Issue Price of Rs [●] per Equity Shares, but does not exceed [●] Equity Shares (The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.)	
Trading Lot	[●] Equity Shares	[●] Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the

		ICDR Regulations
<b>Terms of Payment</b>	100.00% at the time of making an Application	100.00% at the time of making an Application

Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 (2) of the ICDR Regulations, shall be made as follows:

- a) Minimum 50.00% to Retail Individual Investors; and
- b) Remaining to:
  - (i) individual applicants other than Retail Individual Investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

**Explanation:** If the retails individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retails individual investors shall be allocated that higher percentage. For further information on the Allocation of Net Offer to Public, please refer to '*The Issue*' on page 47 of this Draft Prospectus.

#### Withdrawal of the Issue

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after 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 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 the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Draft 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 final RoC approval to the Prospectus after it is filed with the RoC.

#### Issue Programme:

<b>ISSUE OPENING DATE</b>	[•]
<b>ISSUE CLOSING DATE</b>	[•]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.  
Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by LM to BSE 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 application form of that Bidder may be taken as the final data for the purpose of allotment.

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1:00 p.m. IST on the Issue Closing Date. Any time mentioned in this draft prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Applicants shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

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, had 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 no. 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 was 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”) and this phase was to continue till March 31, 2020 and post which reduced timeline from T+6 days to T+3 days was to be made effective using the UPI Mechanism for applications by RIBs. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 (“T+3 SEBI Circular”). The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, 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 offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Prospectus. SEBI, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars to the extent relevant for RTAs, and rescinded these circulars. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application size are up to ₹5 lakhs shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Prospectus.

*In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead manager shall continue to coordinate with intermediaries involved in the said process.*

*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated as per applicable law. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Bidders 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, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

*Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.*

*Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.*

### **Fixed Price Issue Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. QIBs and Non Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum 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 Lead Manager and the Stock Exchange. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant’s depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

## **PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by 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 Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**Phase III/T+3:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023 vide T+3 Press Release. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Press Release as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are 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 into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

### **Electronic Registration of Bids**

a) The Designated Intermediary registered the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Draft Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

## 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. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (BSE) i.e. [www.bsesme.com](http://www.bsesme.com) at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
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

*\*excluding electronic Application Forms downloaded by the Applicants.*

## Submission and Acceptance of Application Forms

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank 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.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- An SCSB, with whom the bank account to be blocked, is maintained
- A syndicate member (or sub-syndicate member)
- A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- A depository participant ("DP") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- A registrar to an issuer and share transfer agent ("RTA") (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.



Designated Intermediaries (other than SCSBs) after accepting application form submitted by NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the applicants has a bank account and shall not submit it to any non-SCSB Bank.

For applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of Stock Exchange. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

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 submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) 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 (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	<p>After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange(s) shall validate the electronic application details with depository’s records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) 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 application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or Subsequent notice of such changes to the Applicants.

#### **Who can apply?**

As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are



**not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

**Subject to the above, an illustrative list of Applicants is as follows:**

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest

in equity shares;

- r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- |                                       |  |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs)    | 4. Overseas Corporate Bodies           |

***The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be 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.***

**Participation by Associates/Affiliates of Lead Manager**

The Lead Manager 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 Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Promoter and Promoter Group and any persons related to our Promoter and Promoter Group cannot participate in the Issue.

**Application by Indian Public including Eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

**Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company.

Provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.

- No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications, provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **Applications by Eligible NRIs on Repatriation Basis**

#### **ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

**Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.**

Allotment of Equity Shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **Applications by Eligible FPIs including FIIs on Repatriation Basis**

#### **FPIS INCLUDING FIIS WHO WISH TO PARTICIPATE IN THE ISSUE ARE ADVISED TO USE THE APPLICATION FORM FOR NON- RESIDENTS (BLUE IN COLOUR).**

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued

by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b). Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.
  - (c). No transaction on the stock exchange shall be carried forward;
  - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

Provided nothing contained in this clause shall apply to:

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
  - ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
  - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
  - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
  - vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
  - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - viii. Any other transaction specified by the Board.
- (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.

5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

(a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

(b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to offshore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by

its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of “Know Your Client” requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

18. In case of FII’s in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **Application by SEBI Registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

The holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIFs.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

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.

#### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The “IRDA Investment Regulations”), are broadly set forth below:

- (a.) Equity shares of a Company: the least of 10% of the investee Company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b.) The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c.) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **Application by Provident Funds / Pension Funds**

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### **Application Under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d.) With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification 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.*

## **Indicative Process Flow for Applications in Public Issue**

### **ASBA Process**

**In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of the Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

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

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

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Channels of Submission of Application Forms**

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

<b>Category of Investor</b>	<b>Channel I</b>	<b>Channel II</b>	<b>Channel III</b>	<b>Channel IV</b>
Retail Individual	Investor may submit the	Investor may submit the	Not Applicable	RIIs may submit



Category of Investor	Channel I	Channel II	Channel III	Channel IV
Investor (RII)	Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII) including Qualified Institutional Buyer (QIB)	For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such Applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each Application into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the 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 Applicants to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **Process Flow for Applications in Public Issue Submitted by Retail Individual Investor**

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

#### **Application and validation process**

- submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.

- (c). The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.
- (d). Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.
- (e). Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- (f). SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

### **The Block Process**

- (a). Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.
- (b). The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and Subsequent debit of funds in case of allotment. For all pending UPI Mandate Requests, the Sponsor Bank will initiate requests for blocking of funds in the ASBA Accounts of relevant investors 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, RIIs using the UPI Mechanism need to accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests after the Cut-Off Time will lapse.
- (c). The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.
- (d). The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.
- (e). Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs’ bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.
- (f). The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would also be displayed on stock exchange platform for information of the intermediary.
- (g). The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- (h). RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

### **Number of Applications per Bank Account**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.



## **How to apply?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. 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.

## **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the 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 finalisation 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 Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and all related circulars issued thereafter, 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.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

## **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

## **Maximum and Minimum Application Size**

The applications in this Issue, being a fixed price issue, will be categorized into two;

### **1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

### **2. For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of [●] Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.

A person shall not make an application in the net Issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Prospectus.**

## **Option to Receive Equity Shares in Dematerialized Form**

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### Information for the Applicants

- a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

### Pre-Issue Advertisement

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations.

### Signing of Underwriting Agreement

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [●]

### Filing of the Prospectus with the RoC

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

### Information for the Applicants

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two 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 or Sponsor Bank 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 5 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## **Interest and Refunds**

### **Completion of Formalities for Listing & Commencement of Trading**

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date. 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. 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.

### **Grounds for Refund**

#### **Non Receipt of Listing Permission**

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Draft Prospectus including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

#### **Minimum Number of Allottees**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

#### **Mode of Refund**

Within six Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

### **Letters of Allotment or Refund Orders or Instructions to the SCSBs**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 6 Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 6 Working Days of the Issue Closing Date.

### **Interest in Case of Delay in Allotment or Refund:**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the



Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Applications 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 Applicants 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;

- Do not make Application for Application Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Net Issue Size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not make Application 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);
- Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker's Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Draft Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the LM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

COMMON APPLICATION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - R				FOR RESIDENT INDIA'S, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS	
		Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:					
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED		FIXED PRICE SME ISSUE ISIN : XXXXXXXX		Application Form No.		
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/CDP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE/FIRST APPLICANT			
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		SCSB BRANCH STAMP & CODE					
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.					
3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. INVESTOR STATUS			
4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")							
5. CATEGORY				7. PAYMENT DETAILS			
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [•]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price							
(In Figures)      (In Words)				PAYMENT OPTION : Full Payment			
ALLOTMENT WILL BE IN DEMAT MODE ONLY <sup>2</sup>							
7. PAYMENT DETAILS				8. INVESTOR STATUS			
Amount Blocked (₹ in Figures)      (₹ in words)							
ASBA Bank A/c No.				8. INVESTOR STATUS			
Bank Name & Branch							
OR				8. INVESTOR STATUS			
UPI Id							
(Maximum 45 characters)				8. INVESTOR STATUS			
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.							
8 A. SIGNATURE OF SOLE / FIRST APPLICANT				8. INVESTOR STATUS			
Date: ....., 2019							
8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)				8. INVESTOR STATUS			
I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue							
1)				8. INVESTOR STATUS			
2)							
3)				8. INVESTOR STATUS			
SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)							
TEAR HERE				8. INVESTOR STATUS			
LOGO							
XYZ LIMITED INITIAL PUBLIC ISSUE - R				8. INVESTOR STATUS			
Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA							
Application Form No.				8. INVESTOR STATUS			
PAN of Sole/First Applicant							
Amount Blocked (₹ in figures)      ASBA Bank & Branch				8. INVESTOR STATUS			
ASBA Bank A/c No./UPI Id							
Received from Mr./Ms.				8. INVESTOR STATUS			
Telephone / Mobile      Email							
TEAR HERE				8. INVESTOR STATUS			
LOGO							
XYZ LIMITED INITIAL PUBLIC ISSUE - R				8. INVESTOR STATUS			
Acknowledgement Slip for Applicant							
Application Form No.				8. INVESTOR STATUS			
Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA							
Name of Sole / First Applicant				8. INVESTOR STATUS			
Amount Blocked (₹)      In Figures      In Words							
ASBA Bank A/c No. / UPI Id:				8. INVESTOR STATUS			
Bank & Branch:							
Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.				8. INVESTOR STATUS			
XYZ LIMITED							

<b>COMMON APPLICATION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> <small>Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:</small>	<b>FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS</b>
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<b>LOGO</b>	<b>TO, THE BOARD OF DIRECTORS XYZ LIMITED</b>	<b>FIXED PRICE SME ISSUE</b> <b>ISIN : XXXXXXXX</b>	<b>Application Form No.</b>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>  <b>SCSB BRANCH STAMP &amp; CODE</b>  <b>SCSB SERIAL NO.</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE/FIRST APPLICANT</b>
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<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID. <b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b> No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [ ]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price (In Figures)      (In Words) <b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b> <small><sup>1</sup> Please note that applications must be made in minimum of [ ] shares and further multiples of [ ] shares accordingly.  <sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.</small>	<b>5. CATEGORY</b> <input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB <b>6. INVESTOR STATUS</b> <input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis) <input type="checkbox"/> Foreign Institutional Investor - FII/ <input type="checkbox"/> Foreign Portfolio Investor - FPI <input type="checkbox"/> Foreign Venture Capital Investor - FVCI <input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA <input type="checkbox"/> Others - OTH (please specify)
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<b>7. PAYMENT DETAILS</b> Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ (Maximum 45 characters)	<b>PAYMENT OPTION : Full Payment</b> I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.
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<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP</b> <b>(Acknowledging upload of Application in Stock Exchange System)</b>
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TEAR HERE

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	<b>Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Application Form No.</b>
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DPID / CLID	PAN of Sole/First Applicant	
Amount Blocked (₹ in figures)	ASBA Bank & Branch	<b>Stamp &amp; Signature of SCSB Branch</b>
ASBA Bank A/c No./UPI Id		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	No. of Equity Shares Amount Blocked (₹)	In Figures In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Name of Sole / First Applicant</b>  <b>Acknowledgement Slip for Applicant</b>
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ASBA Bank A/c No. / UPI Id: _____ Bank & Branch: _____	<b>Application Form No.</b>
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Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

**XYZ LIMITED 1**

### 1. Field Number 1: Name and Contact Details of the Sole/ First Applicant:

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

### 2. Field Number 2: PAN Number of Sole /First Applicant:

- a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c.) The exemption for the PAN Exempted Applicant 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.
- d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e.) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

### 3. Field Number 3: Applicant's Depository Account Details

- a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

- d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### **4. Field Number 4: Application Options**

- a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as [●] per equity shares (including premium of [●] per equity share).
- b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.
- c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of [●] Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of [●] Equity Shares and in multiples of [●] Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.
- d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

#### **Maximum and Minimum Application Size**

- e.) The Applicants may apply for the desired number of Equity Shares in multiple of [●] equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for [●] equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000.

In case the Application Amount exceeds ₹ 2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- f.) Application by QIBs and NIIs must be for [●] equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.
- h.) In case the Application Amount reduces to ₹ 2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i.) An Application cannot be submitted for more than the net issue size.
- j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

#### **Multiple Applications**

- k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:
  - i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
  - ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.
- m.) **The following Applications may not be treated as multiple Applications:**
  - i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
  - ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

## **5. Field Number 5: Category of Applicants**

- a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

## **6. Field Number 6: Investor Status**

- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d.) Applicants should ensure that their investor status is updated in the Depository records.

## **7. Field Number 7: Payment Details**

- a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For

application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.

- b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.
- d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

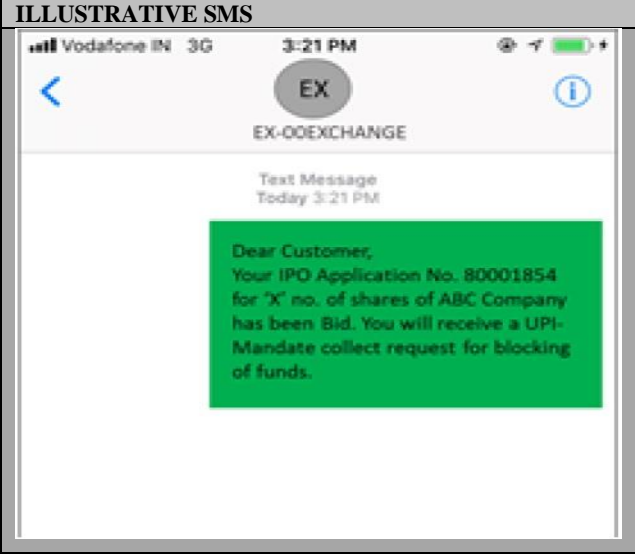
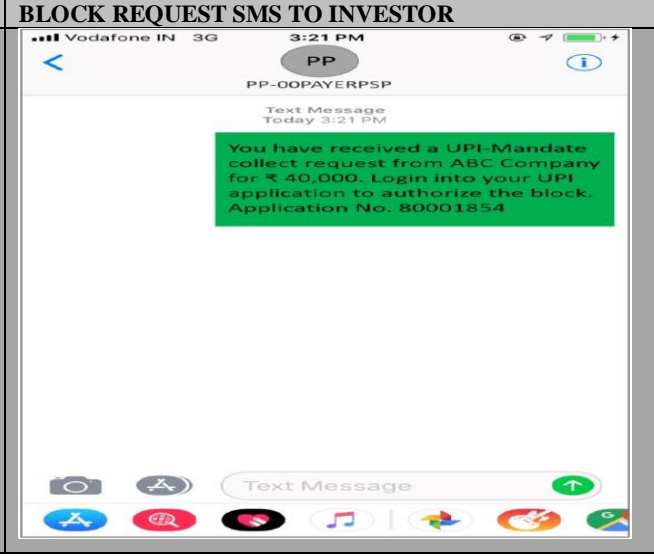
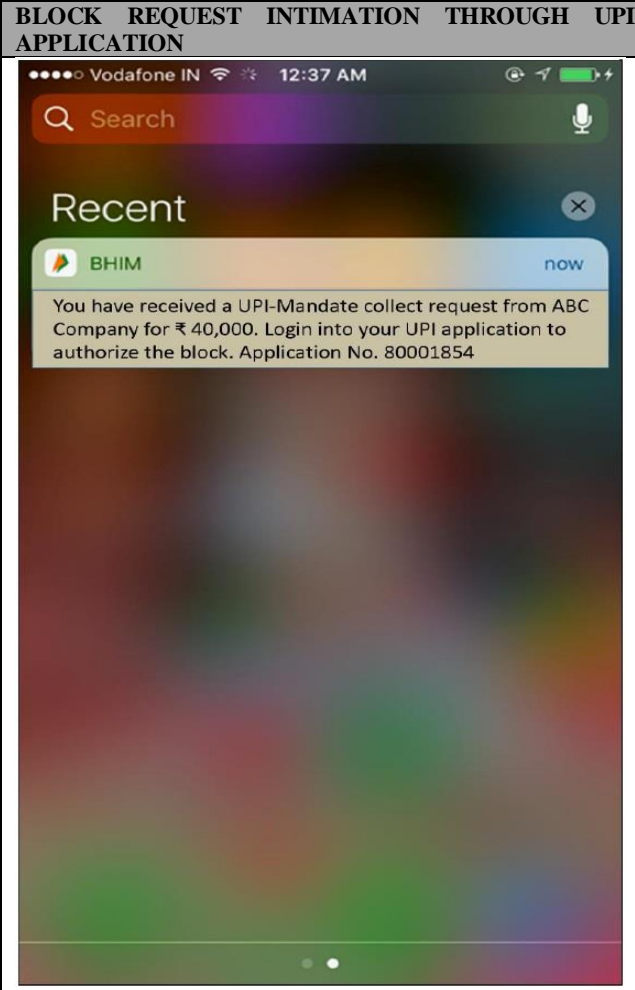
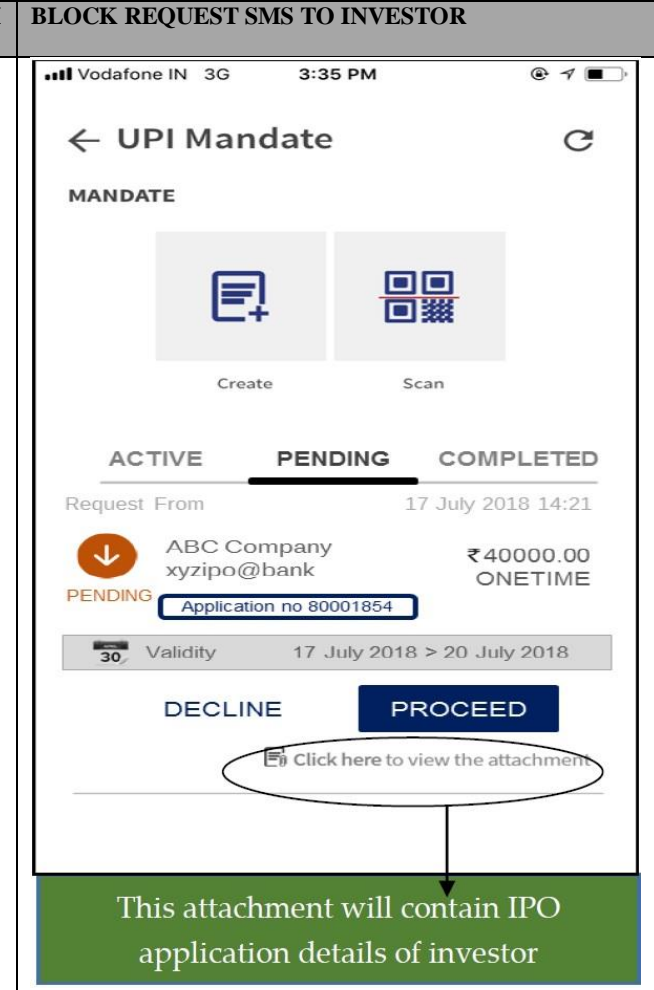
**Payment instructions for Applicants (other than Anchor Investors)**

- a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII)	For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable



Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:

<p><b>ILLUSTRATIVE SMS</b></p>  <p>Vodafone IN 3G 3:21 PM</p> <p>EX-OOEXCHANGE</p> <p>Text Message Today 3:21 PM</p> <p>Dear Customer, Your IPO Application No. 80001854 for 'X' no. of shares of ABC Company has been Bid. You will receive a UPI-Mandate collect request for blocking of funds.</p>	<p><b>BLOCK REQUEST SMS TO INVESTOR</b></p>  <p>Vodafone IN 3G 3:21 PM</p> <p>PP-00PAYERPSP</p> <p>Text Message Today 3:21 PM</p> <p>You have received a UPI-Mandate collect request from ABC Company for ₹ 40,000. Login into your UPI application to authorize the block. Application No. 80001854</p>
<p><b>BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION</b></p>  <p>Vodafone IN 12:37 AM</p> <p>Search</p> <p>Recent</p> <p>BHIM now</p> <p>You have received a UPI-Mandate collect request from ABC Company for ₹ 40,000. Login into your UPI application to authorize the block. Application No. 80001854</p>	<p><b>BLOCK REQUEST SMS TO INVESTOR</b></p>  <p>Vodafone IN 3G 3:35 PM</p> <p>UPI Mandate</p> <p>MANDATE</p> <p>Create Scan</p> <p>ACTIVE PENDING COMPLETED</p> <p>Request From 17 July 2018 14:21</p> <p>ABC Company xyzipo@bank ₹40000.00 ONETIME</p> <p>PENDING Application no 80001854</p> <p>Validity 17 July 2018 &gt; 20 July 2018</p> <p>DECLINE PROCEED</p> <p>Click here to view the attachment</p> <p>This attachment will contain IPO application details of investor</p>
<p><b>SAMPLE OF IPO DETAILS IN ATTACHMENT</b></p>	<p><b>POST VERIFICATION OF DETAILS ABOVE</b></p>

# BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION

Secure | https://

1 Enter Details

Investor Details

Depository Name	DP ID	Client ID
NSDL	IN300513	14871468

Beneficiary No. PAN Card Investor's Name

-	AAMPF7581P	SHYAM SHARAM
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IPO Details

Company Name	IPO Symbol	Bid Lot
IPO	SUPREMEENG	40000

Face Value	Maximum Price	Minimum Price
10.00	₹ 32.00	₹ 27.00

Cut Off Price	IPO Start Date	IPO End Date
₹ 32.00	20 July 2018	27 July 2018

Discount Amount	Discount Category
NA	-

# BLOCK REQUEST SMS TO INVESTOR

Vodafone IN 3G 5:43 PM

← Create Mandate

TO

ABC Company

✓ xyzipo@bank Verified Merchant

Mandate Amount

₹ 40000.00

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency

ONETIME

Validity

31 Start Date 20 JULY 2018 > 31 End Date 27 JULY 2018

Users account will be debited within validity period.

REMARKS

Application no 80001834

Click here to view the attachment

PROCEED

# PRE-CONFIRMATION PAGE

Vodafone IN 3G 3:48 PM

Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

Mandate Details

To

ABC Company

✓ xyzipo@bank

AMOUNT

₹ 0000.00

FREQUENCY

ONETIME

VALIDITY

20 JULY 2018 to 27 JULY 2018

REMARKS

Application no 80001854

CANCEL CONFIRM

# ENTERING OF UPI PIN

Vodafone IN 3G 1:39 AM

CANCEL

STATE BANK OF INDIA


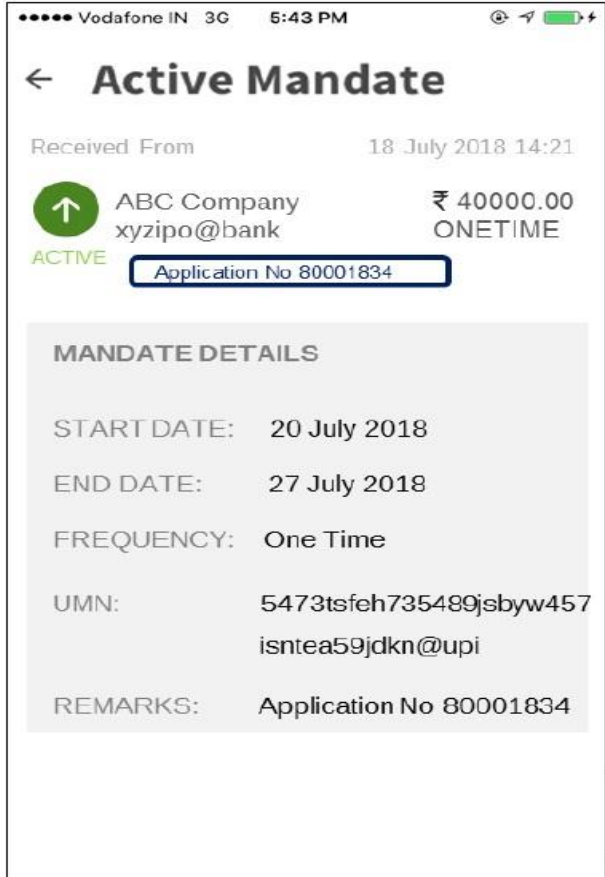
UPI

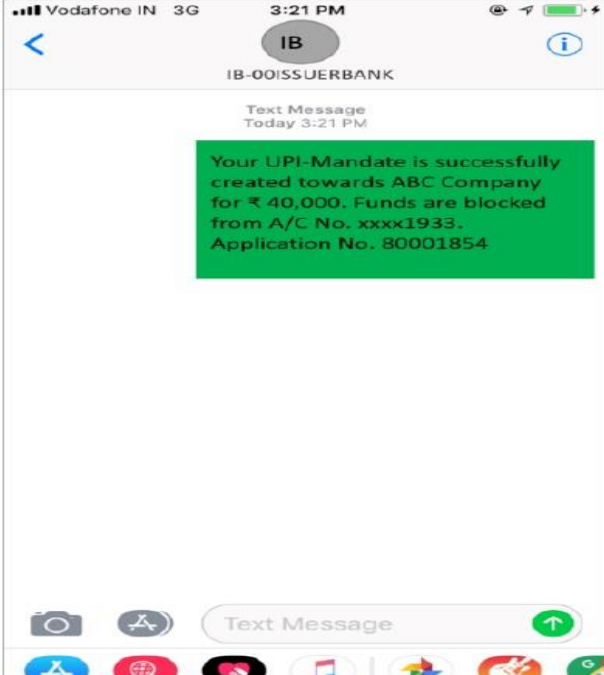
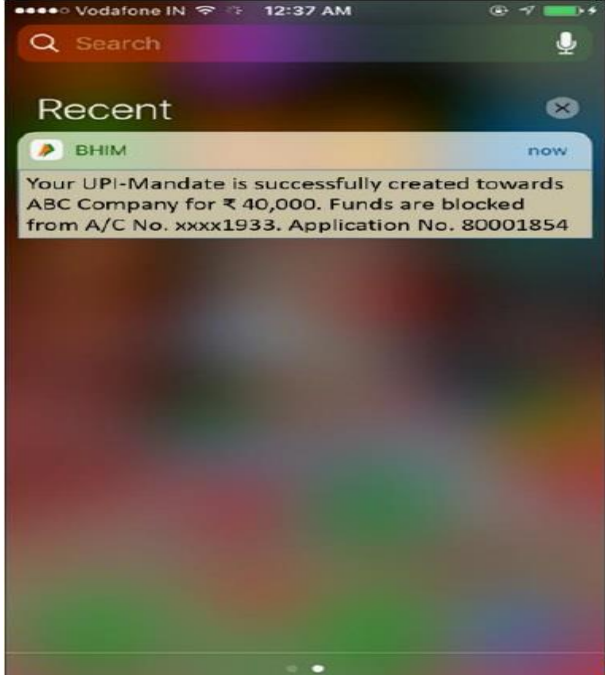
ABC Company ₹ 40000

ENTER UPI PIN

— — — —

1	2	3
4	5	6
7	8	9
✕	0	SUBMIT

PRE-CONFIRMATION PAGE	ENTERING OF UPI PIN
CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION
	

BLOCK CONFIRMATION SMS TO INVESTOR	BLOCK CONFIRMATION APPLICATION INTIMATION
	

b.) QIB and NII Applicants may submit the Application Form either;

- i. to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- f.) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h.) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i.) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- j.) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.
- k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.
- l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).
- m.) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

## **8. Field Number 8: Unblocking of ASBA Account**

- a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred

to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.

- b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c.) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

**Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

- d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.
- g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.
- h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.
- i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.
- k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.
- l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.
- m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.

- n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
- o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

#### **Additional Payment Instruction for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **9. Field Number 9: Signatures and Other Authorisations**

- a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

#### **10. Field Number 10: Acknowledgement and Future Communication**

- a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.
- b.) All communications in connection with Application made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.
  - ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.
  - iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker
  - vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.
  - vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.
  - viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;
- c.) The following details (as applicable) should be quoted while making any queries –
  - i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.

- ii. name and address of the Designated Intermediary, where the Application was submitted; or
- iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.
- iv. For further details, Applicants may refer to the Prospectus and the Application Form.

**B. Instructions for Filling the Revision Form**

- a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b.) RII may revise / withdraw their Application till closure of the Issue period.
- c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:



<b>COMMON APPLICATION REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b> Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, NON INSTITUTIONAL INVESTORS, RETAIL INDIVIDUAL INVESTORS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> <b>ISIN : XXXXXXXX</b>	Application Form No.
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SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/CDP/RTA STAMP & CODE	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE/FIRST APPLICANT</b> _____ <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL      CDSL      _____ <small>For NSDL enter 8 digit DPID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	

PLEASE CHANGE MY APPLICATION <span style="float: right;"><input type="checkbox"/> PHYSICAL</span>															
<b>4. FROM (as per last Application or Revision)</b>															
Options	No. of Equity Shares Application (Application must be in multiples of [-] Equity Share) (In Figures)							Price per Equity Share (₹) [-] (In Figures)							
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1
ORIGINAL APPLICATION															
Option 1															
(OR) Option 2															
(OR) Option 3															
<b>5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")</b>															
Options	No. of Equity Shares Application (Application must be in multiples of [-] Equity Share) (In Figures)							Price per Equity Share (₹) [-] (In Figures)							
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1
REVISED APPLICATION															
Option 1															
(OR) Option 2															
(OR) Option 3															

<b>6. PAYMENT DETAILS</b>														
PAYMENT OPTION : Full Payment														
Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____														
ASBA Bank A/c No. _____														
Bank Name & Branch _____														
OR _____														
UPI Id _____ <small>(Maximum 45 characters)</small>														

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)
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----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED</b> <b>REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No.
DPID / CLID _____ PAN _____			
Additional Amount Blocked (₹ in figures) _____		ASBA Bank & Branch _____	
ASBA Bank A/c No./UPI Id _____		Stamp & Signature of SCSB Branch	
Received from Mr./Ms. _____			
Telephone / Mobile _____ Email _____			

----- TEAR HERE -----														
<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R</b>		Option 1	Option 2	Option 3	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Name of Sole / First Applicant</b>								
	No. of Equity Shares													
	Issue Price													
	Additional Amount Blocked (₹)													
	ASBA Bank A/c No. / UPI Id: _____													
	Bank & Branch: _____													
<b>Acknowledgment Slip for Applicant</b>														
Application Form No. _____														

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

**XYZ LIMITED** 1



<b>COMMON APPLICATION REVISION FORM</b>	<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b> Registered Office: Tel. No.:      Fax No.:      Email:      Website: Contact Person:      CIN:	<b>FOR ELIGIBLE NRIs, FIIs/FPIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS</b>
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<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	Application Form No.
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>  <b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>  <b>BANK BRANCH SERIAL NO.</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>  <b>SCSB BRANCH STAMP &amp; CODE</b>  <b>SCSB SERIAL NO.</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____ <b>2. PAN OF SOLE/FIRST APPLICANT</b> _____ <b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL <input type="checkbox"/> CDSL <input type="checkbox"/> For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID
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<b>PLEASE CHANGE MY APPLICATION</b> <input type="checkbox"/> <b>PHYSICAL</b>																																																																											
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<b>6. PAYMENT DETAILS</b> Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____ ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ (Maximum 45 characters)	<b>PAYMENT OPTION : Full Payment</b>
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I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>  Date: _____, 2019	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b> I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
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<b>LOGO</b>	<b>XYZ LIMITED</b> <b>REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No.
DPID / CLID _____ PAN _____			
Additional Amount Blocked (₹ in figures) _____ ASBA Bank & Branch _____		Stamp & Signature of SCSB Branch	
ASBA Bank A/c No./UPI Id _____			
Received from Mr./Ms. _____			
Telephone / Mobile _____ Email _____			

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<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Issue Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Blocked (₹)</td> <td></td> <td></td> <td></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Issue Price				Additional Amount Blocked (₹)				Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Name of Sole / First Applicant</b>  <b>Acknowledgment Slip for Applicant</b>
	Option 1	Option 2	Option 3																
No. of Equity Shares																			
Issue Price																			
Additional Amount Blocked (₹)																			
ASBA Bank A/c No. / UPI Id: _____ Bank & Branch: _____		Application Form No.																	
Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.																			

XYZ LIMITED **1**

### **11. Fields 1, 2 and 3: Name and Contact Details of Sole/First Applicant, PAN of Sole/First Applicant & Depository Account Details of the Applicant**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

### **12. Fields 4 and 5: Application Options Revision ‘From’ and ‘To’**

- a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for [●] equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of [●] equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b.) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

### **13. Payment Details**

- a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.
- d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

### **14. Field Number 7: Signatures and Acknowledgements**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.

### **Applicant’s Depository Account and Bank Details**

***Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.***

***Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.***

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as 'Demographic Details') or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant 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.

### **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Other Instructions**

#### **Joint Applications in the Case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple

Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.**

#### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **Grounds for Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and not firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;

- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [●];
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations for "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account, UPI ID and/or Depositories Account;
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Submission of Application Form(s) using third party ASBA Bank Account;
- Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
- In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and *vice versa*.

### **Equity Shares in Dematerialised Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated 1<sup>st</sup> June, 2024, between NSDL, the Company and the Registrar to the Issue; and
- b. Agreement dated 21<sup>st</sup> March 2023 between CDSL, the Company and the Registrar to the Issue.
- c. The Company's shares bear ISIN no INE0A8401016.
  - i. An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.

- ii. The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- iii. Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- iv. Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- v. If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- vi. The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- vii. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- viii. The trading of the Equity Shares of our Company would be only in dematerialized form.

### Communications

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 Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted 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. at below mentioned addresses;**

<b>Compliance Officer</b> Mrs. Puja Sharma <b>Address:</b> 7, Floor-1, Plot-96, Dharam Jyoti, Kazi Sayed Street, Khand Bazar, Masjid Station, Mandvi, Mumbai Maharashtra- 400003 <b>Telephone:</b> 91-7506196222/ 91-9223432143 <b>Website:</b> www.citichemindia.com <b>Email-ID:</b> citichemindia@gmail.com/ marketing@citichemindia.com	<b>Registrar to the Issue</b> <b>KFin Technologies Limited</b> (Formerly known as KFin Technologies Private Limited) Selenium, Tower-B, Plot 31& 32, Gachibowli Financial District Nanakramguda, Hyderabad 500 032, Telangana <b>Telephone No.:</b> +91 40 6716 2222 <b>Email-ID:</b> @kfintech.com <b>Website:</b> www.kfintech.com <b>Contact Person:</b> Mr. M Murali Krishna <b>SEBI Registration No.:</b> INR000000221
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### Disposal of Applications and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

### Impersonation

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) 'Any person who: makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- 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 of Companies Act, 2013 and shall be treated as Fraud.**

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, 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 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 that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*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 twenty lakh rupees or with both.*

#### **Basis of Allotment**

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

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 drawal 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.
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.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
  - (a). minimum fifty per cent. to retail individual investors; and
  - (b). remaining to:
    - i) individual applicants other than retail individual investors; and

- ii) other investors including corporate bodies or institutions, irrespective of the number of Equity Shares applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “Basis of Allotment”.

“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 the SME Platform of BSE.

### **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% 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 Emerge Platform of NSE – the Designated Stock Exchange in addition to 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, 2018.

### **Undertaking by Our Company**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. Adequate arrangements shall be made to collect all Application forms.

### **Utilization of Issue Proceeds**

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company’s balance sheet indicating the purpose



for which such monies have been utilized;

- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ('FEMA'). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ('RBI') and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ('DIPP').

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ('FDI') through press notes and press releases. The DIPP has issued consolidated FDI Policy Circular of 2017 ('FDI Policy 2017'), with effect from August 28, 2017, which 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 issues an updated circular.

The RBI also issues 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 issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include:

- (i) Where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that:
  - (a) The requisite approval of the Government has been obtained; and
  - (b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time;
- (ii) Where the transfer of shares attracts SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time;
- (iii) Where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that:
  - (a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, etc.), reporting requirements, documentation etc.;
  - (b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank; and
- (iv) where the investee company is in the financial sector provided that:
  - (a) Any fit and proper/due diligence requirements as regards the non-resident investor as stipulated by the respective financial sector regulator, from time to time, have been complied with; and
  - (b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionality's (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance 225 with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as 'Capital Instruments') of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Investment by NRI or OCI on non-repatriation basis as per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ('US Securities Act') or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of 'US Persons' as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the 'Prospectus Directive') has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

## **SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

### **THE COMPANIES ACT, 2013 (COMPANY LIMITED BY SHARES)**

#### **ARTICLES OF ASSOCIATION\***

#### **OF**

#### **CITICHEM INDIA LIMITED**

#### **(Incorporated under the Companies Act, 1956)**

(\*The following Regulations comprised in these Articles of Association were adopted pursuant to a Special resolution passed by the Members at the Extra-Ordinary General Meeting of the Company held on 01st February 2023 in substitution for the earlier Regulations comprised in the extant Articles of Association of the Company.)

#### **PRELIMINARY**

1. The regulations contained in the Table marked 'F' in Schedule I to the Companies Act, 2013 shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act, which shall be the regulations for the management of the company.

The regulations for the management of the company and for the observance by the members thereto and their representative, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as contained in these Articles.

#### **INTERPRETATION**

2. In the Interpretation of these Articles, unless repugnant to the subject or context:

'The Company' or 'This Company' means Citichem India Limited'.

'The Act' means 'the Companies Act, 2013', or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.

'Annual General Meeting' means a General Meeting of the members held in accordance with the provisions of Section 96 of the Act.

'Articles' means the articles of association of the Company or as altered from time to time.

'Board' or 'Board of Directors' means the Directors of the Company collectively and shall include a committee thereof.

'Depository' means a company formed and registered under the Act and which has been granted a certificate of registration under Section 12(1A) of the Securities Exchange Board of India Act, 1992 (15 of 1992).

'Director' means a director of the Company (including any duly appointed alternate director).

'Extraordinary General Meeting' means an Extraordinary General Meeting of the members duly called and constituted and any adjourned holding thereof.

'General Meeting' means Annual General Meeting or Extraordinary General Meeting.

'Managing Director' means the managing director for the time being of the Company

'Rules' means the applicable rules for the time being in force as prescribed under relevant sections of the Act.

‘Rupees’, ‘Rs.’ or ‘INR’ refers to Indian Rupees being the lawful currency of the Republic of India.

‘Seal’ shall mean the common seal of the company.

‘Share Capital’ shall mean the paid up equity share capital of the Company.

Words importing the singular number include, where the context admits or requires, the plural number and vice versa. The marginal notes and titles used in these Articles shall not affect the construction thereof. Word importing the masculine gender shall include the feminine gender. The heading or sub-heading hereto shall not affect the construction thereof.

Save as aforesaid and unless the context otherwise requires, words or expressions defined in the Act and contained in these regulations shall if not inconsistent with the context or subject bear the same meaning in these Articles as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

### SHARE CAPITAL AND VARIATION OF RIGHTS

3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in Clause V of the Memorandum of Association, with power to Board of Directors to increase or re-classify or sub-divide or consolidate or reduce or modify the said capital and to divide the shares for the time being of the Company into several classes and attach thereto preferential, deferred, qualified, or special rights or conditions, as may be determined by or in accordance with the Act or Articles of Association of the Company or terms of issue and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided for by the Act or Articles of Association of the Company or the terms of issue.
4. The Company in general meeting may, by ordinary resolution from time to time increase the capital by the creation of new shares such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Section 43, 47 and 50 of the Act. Whenever, the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Subject to the provisions of Section 55 of the Act, the Company shall have power to issue Preference Shares which, at the option of the Company, are liable to be redeemed and may redeem such shares in the manner provided in the resolution authorizing such issue and in absence of any specific condition of their issue in that behalf in such manner as the Board may deem fit.

Subject to the provisions of Section 54 and other applicable provisions of the Act, Rules or any other law, the Company may with the approval of the shareholders by a special resolution, issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.

Notwithstanding anything contained in any other Article, but subject to the provisions of the Act or Rules or any statutory modification or re-enactment thereof, the Company may from time to time and at any time issue to any person(s) as it may deem fit, shares whether equity, preference or any other class or any other financial instruments or Securities, by whatever name called, with disproportionate voting rights or non-voting rights and/or shares / instruments / securities so issued may carry rights as to voting, dividend, capital or otherwise which may be disproportionate to the rights attached to the other shares or securities of the Company.

a) Subject to the provisions of Section 63 and any other applicable provisions of the Act or Rules including any statutory modification or amendment thereof, the Company in General Meeting may resolve that the whole or any part of the undivided profits of the Company for the time being standing to the credit of the Reserve Account or Fund, or any Capital Redemption Reserve Account or the Securities Premium Account, or any amount representing premium received on the issue of shares, debentures, debenture-stock or any other securities be (1) capitalised and distributed amongst the

shareholders of the Company or some of them, in the same proportion to the amounts paid-up or credited as paid-up thereon, of the paid-up shares, debentures, debenture-stock or bonds or other obligations of the Company and / or (2) capitalised by crediting any shares, debentures, debenture-stock or bonds or any other securities of the Company, in proportion to the shares, debentures, debenture-stock or any other securities held, respectively, for the whole or any part of the same.

b) Provided that the Securities Premium Account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying up of any unissued shares to be issued to members of the Company as fully paid bonus shares.

c) The Board for the purpose of this Article shall have power –

- to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

d) Any agreement made under such authority shall be effective and binding on such members.

5. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and buy at such time as they may from time to time think fit.

6. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

7. (1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on these shares shall be transferred to an account, to be called 'Securities Premium Account' and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were paid-up share capital of the Company.

(2) The securities premium account may, notwithstanding anything contained in Clause (1) hereof but subject to complying with the provisions of section 52, be applied by the Company:

a) in paying up unissued shares of the Company, to be issued to the members of the Company as fully paid bonus shares;

b) in writing off the preliminary expenses of the Company;

c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or

d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company; or

e) for the purchase of its own shares or other securities under section 68 of the Act.

8. The Company may at any time pay commission to any person in consideration of his subscribing, or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or debentures of the Company and the provisions of Section 40 of the Act or any other Rules or regulations in this behalf shall be observed and complied with. Such commission shall not exceed the maximum permissible rate as prescribed in the Rules. Such commission may be paid in cash or by allotment of Securities or partly by cash and partly by allotment of Securities.

9. Whenever the capital, by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act, be modified, commuted, affected, abrogated dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with sanction of a special resolution passed at a separate General Meeting of the holders of shares of that class, and all the provisions hereafter contained as to General Meeting shall mutatis mutandis, apply to every such meeting.
10. Subject to the provisions of section 61, the Company may, by ordinary resolution in the General Meeting: -
  - a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, subject to the approval of the Tribunal, if required;
  - b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - c) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived;
  - d) Cancel any shares, which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of Share Capital by the amount of the share cancelled. A cancellation of shares in pursuance of this Sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.
11. Notwithstanding anything contained in these articles but subject to the provisions of the Act and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities whether or not they are redeemable, at such price and on such terms and conditions as the Board may deem fit and proper in the best interests of the Company.
12. The Company may (subject to the provisions of Sections 52, 55 and 66 and other applicable provisions, if any, of the Act) from time to time by appropriate resolution specified under the Act, reduce (a) its share capital (b) any capital redemption reserve account or (c) any securities premium account in any manner for the time being authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise.
13. Notwithstanding anything contained in these Articles, but subject to the provisions of Sections 68, 69 & 70 and other applicable provisions, if any, of the Act and all other applicable provisions of the Law as may be in force at any time and as modified from time to time, the Company may acquire or purchase any of its fully paid or redeemable Shares and may make payment out of funds at its disposal for and in respect of such acquisition / purchase on such terms and conditions at such times as the Board may in its discretion deem fit, and such acquisition / purchase shall not be construed as reduction of Share Capital of the Company.

#### SECURITIES AND CERTIFICATES

14. Subject to provisions of Section 29 and other applicable provisions of the Act, Rules and any statutory modification or amendment which may be issued thereon, every member or allottee of shares or securities of the Company shall be entitled to receive one certificate specifying the name of the person(s) in whose favour it is issued, the shares to which it relates, the certificate number and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board or a Committee of Board or persons authorised by the Board in this regard and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares. Provided that if the letter of allotment is lost or destroyed, the Board may impose such reasonable terms, if any, as to seek supporting evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as it may think fit.

Every such certificate shall be issued under the seal/stamp of the Company which shall be affixed in the presence of, and signed by two Directors, duly authorised by the Board for the purpose or persons acting on behalf of the Directors under a duly registered power of attorney or the Committee of the Board if so authorised by the Board; and the secretary or any other person authorised by the Board for the purpose, provided that if the composition of the Board permits of it, atleast one of the aforesaid two Directors shall be persons other than a Managing Director or a Whole-time Director. The certificate issued shall be in conformity with the Companies (Share Capital and Debentures) Rules, 2014 or any other statutory modification or re- enactment thereof for the time being in force. A Director shall deemed to have signed the share



certificate if his signature is printed thereon as a facsimile signature by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, or digitally signed, but not by means of a rubber stamp.

The particulars of every certificate issued in accordance with the provisions of this Article, the Act and the Rules, including any statutory modification or re-enactment thereof, shall be the prima facie evidence of the title of the person of such shares and the particulars of every such share certificate issued shall be entered in the Register of Members maintained in accordance with the provisions of Section 88 along with the name(s) of the person(s) to whom it has been issued, indicating the date of the issue.

Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission. The Company shall also comply with the regulations issued by Securities Exchange Board of India or any other regulatory authority, in this regard from time to time.

15. Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership may be delivered to anyone of such joint owners on behalf of all of them.
16. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialize its shares, debentures and other securities (both existing and future) held by it with the depository provided that in case of a public offer of its securities for subscription, the same shall be only in a dematerialised form pursuant to section 29 of the Act and the Depositories Act, 1996 and the Rules framed thereunder, if any.

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 securities 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.

17. No certificate of any share or shares shall be issued either in exchange for those which are sub- divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been fully utilised, unless the certificate in lieu of which it is issued is surrendered to the Company. Subject to the Act and the Rules, the Company may charge such fee as the Board thinks fit, not exceeding fifty (50) rupees per certificate on splitting or consolidation of the share certificate(s) or in replacement of share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out. The issue of new share certificate(s) shall be in conformity with the Companies (Share Capital and Debentures) Rules, 2014 or any other statutory modification or re-enactment thereof.
18. Except as ordered by a Court of competent jurisdiction or as by law required or otherwise stated in these Articles, the Company shall be entitled to treat the person whose name appears on the Register of Members as a holder of any share whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner therefore and accordingly shall not 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. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.
19. If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipts of dividends or bonus or service of notice and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of share and for all incidents thereof according to the Company's regulations.

#### FURTHER ISSUE OF CAPITAL

20. (1) Where at any time, it is proposed to increase its subscribed capital by the issue of further shares, such shares shall be offered-
  - (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares at that date by sending a letter of offer,
  - (b) such offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined,

- (c) such offer 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 above shall contain a statement of this right, provided that the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him,
- (d) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.
- (2) Subject to the provisions of the Act and the Rules, the company may issue further shares to employees under a scheme of employees' stock option, subject to special resolution passed by company and in conformity with the provision prescribed in the Rules or any other law.
- (3) The Company may also issue further shares in accordance with Section 62 of the Act and the Rules to any person(s), if authorised by a special resolution, whether or not those person(s) include the person(s) referred to in Article 19(1) and 19(2), either for cash or for a consideration other than cash.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company, provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.
21. Subject to the provisions of Section 62 and other applicable provisions, if any, of the Act and subject to the Articles, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Managing Director and the Whole-time Directors, such number of equity shares of the Company, for subscription on such terms and conditions as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking pari-passu with the existing equity shares of the Company. The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue. In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities convertible or non-convertible into equity shares, as may be permitted in law, from time to time. All such issues as above are to be made in pursuance of Employees' Stock Option (ESOP) Scheme(s) to be drawn up and approved by the Board.
22. 1) The Company shall have a first and paramount lien –
- (a) on every share (not being a fully paid-up share), for all monies (presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (b) on all shares (not being fully paid shares) standing registered in the name of a single person (whether solely or jointly with others), for all monies presently payable by him or his estate to the Company:
- Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- 2) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
23. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
- Provided that no sale shall be made—
- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.
24. 1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- 2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- 3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
25. 1) As the proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- 2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.
26. 1) The Board may, from time to time, subject to the provisions of Section 49 and any other applicable provisions of the Act, Rules and the terms on which any shares may have been issued; subject to the conditions of allotment, by a resolution passed at a meeting of the Board, make calls in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board.
- 2) Fifteen days' notice in writing of any call be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.
- 3) A call shall be deemed to have been made at the time when the resolution authorizing such call is passed at a meeting of the Board.
- 4) A call may be revoked or postponed at the discretion of the Board.
- 5) The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 6) The Board may, from time to time at its discretion, extend the time fixed for the payment of any calls under Article 25.
- 7) If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to time of actual payment at such rate as shall, from time to time, be fixed by the Board not exceeding twenty-four (24) per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
- 8) Any sum, which by the terms of issue of a share becomes payable on allotment or on any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 9) On the trial of or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any moneys claimed to be due to the Company in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his representatives sued in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that meeting at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matter aforesaid shall be conclusive evidence of the debt.
- 10) Neither receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- 11) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and on the moneys so paid in advance, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the members paying the sum in advance and the Board agree upon. The Board may at any time agree to repay any amounts so advanced or may

at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits. No member paying any such sum in advance shall be entitled to voting right in respect of the moneys so paid by him until the same would but for such payment become presently payable.

27. The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures, if any, of the Company.

#### FORFEITURE OF SHARES

28. If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as the call or any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

29. The notice aforesaid shall-

- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

30. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

31. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.

32. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

33. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

34. A duly verified declaration in writing that the declarant is a director, the manager or the secretary or any other person authorised by the Board in this regard, 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;

The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

The transferee shall thereupon be registered as the holder of the share; and

The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

35. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
36. The Board may, subject to the provisions of the Act, accept surrender of any shares from or for any member desirous of surrendering on such terms as they think fit.
37. The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures, if any, of the Company.
38. 1) The instrument of transfer of any share in the Company shall be in a prescribed form in accordance with the requirements of Section 56, executed by or on behalf of both the transferor and transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures.

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnify as the Board may think fit.

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

3) Provided nothing in this Article shall apply to transfer of shares in dematerialized form through depository.

39. The Company shall keep a 'Register of Transfer' and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share held.

Notwithstanding anything contained in these Articles, in case of transfer of shares or marketable securities held in electronic or fungible form, the provisions of the Depositories Act, 1996, or statutory modification of re-enactment thereof, shall apply. Provisions of Section 45, relating to progressive numbering shall not apply to the shares of the Company which has been dematerialised.

40. Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a depository. Such a person who is a beneficial owner of the securities can at any time opt out of the depository, if permitted by the 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 the receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
41. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner. Save as otherwise provided, the depository as the registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it. Every person holding securities in the name 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.
42. The Register and Index of Beneficial Owners, maintained by a Depository under Section 11 of the Depositories Act, 1996 or statutory modifications of re-enactment thereof, shall be deemed to be the Register and Index of Members and security holders as the case may be for the purposes of these Articles.
43. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial owner may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

44. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
45. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown on appearing in Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.
46. 1) The Board may, subject to the right of appeal conferred by section 58 decline to register-
- a) The transfer of a share, not being a fully paid share, to a person of whom they do not approve or
  - b) Any transfer of shares on which the company has a lien.
- 2) The Board may decline to recognise any instrument of transfer unless-
- (a) The instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.
47. Notwithstanding anything contained in these articles, the Board of Directors may delegate to the Company's Registrar and Share Transfer Agents or any committee of Directors, the power to approve transfer and transmission of shares and to do all incidental things thereto.
48. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
49. The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

#### TRANSFER AND TRANSMISSION OF SHARES

50. In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.
51. (a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.
- (b) The Board may decline to recognize any instrument of transfer unless-
- (i) the instrument of transfer is in the form prescribed under the Act;
  - (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (iii) the instrument of transfer is in respect of only one class of shares.
- (c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

52. Every such instrument of transfer shall be executed both by or on behalf of both 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.
53. Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice to close the Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty-five (45) days in each year as it may seem expedient.
54. Subject to the provisions of these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.
55. The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.
56. No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except through a legal guardian.
57. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
58. A person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
- Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.
59. Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.
60. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the

Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books 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 rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the 19 Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

61. The provisions of these Articles, shall, mutatis mutandis, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

#### ALTERATION OF CAPITAL

62. The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.
63. The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
64. Where shares are converted into stock:
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
  - (c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words 'share' and 'shareholder'/' Member' shall include 'stock' and 'stock-holder' respectively.
65. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—
- (a) its share capital; and/or
  - (b) any capital redemption reserve account; and/or
  - (c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (ii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

66. (a) Company to recognise interest in dematerialised securities under the Depositories Act, 1996 Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

- (b) Dematerialisation/Re-materialisation of securities



Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

67. Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

## GENERAL MEETINGS

68. (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

(c) Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time with which any Annual General Meeting may be held.

69. All General Meetings other than the Annual General Meeting shall be called 'Extraordinary General Meeting'. Provided that, the Board may, whenever it thinks fit, call an extraordinary general meeting.
70. The Board shall on, the requisition of Members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.
71. Such number of Members as required under the Act or the applicable law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.
72. Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time

appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

73. The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.
74. Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.
75. Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
76. 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. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.
77. If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.
78. In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.
79. (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.  
  
(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

#### VOTE OF MEMBERS

80. Subject to any rights or restrictions for the time being attached to any class or classes of shares: (a) On a show of hands every Member holding equity shares and present in person shall have one vote.  
(b) On a poll, every Member holding equity shares therein shall have voting rights in proportion to his share in the paid up equity share capital.  
(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.
81. In case of joint holders the vote of first named of such joint holders in the Register of Members, who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.
82. 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 legal guardian may, on a poll, vote by proxy.
83. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
84. Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

85. An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy.

The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the registered Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

86. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
87. Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

#### DIRECTOR

88. Subject to the provisions of Section 149 of the Act and other applicable laws, unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than 3 (Three) nor more than 15 (Fifteen).
89. Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.
90. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
91. The Board may appoint an alternate director to act for a director (hereinafter in this Article called 'the Original Director') during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act and other applicable laws.

An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

92. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board. The director so appointed shall hold office only upto the date which the director in whose place he is appointed would have held office if it had not been vacated.
93. (a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.
- (b) The Board of Directors may allow and pay or reimburse any Director who is not a bonafide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

(c) The managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

94. If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.
95. The continuing Directors may act notwithstanding any vacancy in the Board, but if the 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, but for no other purpose.

#### ROTATION AND RETIREMENT OF DIRECTOR

96. At the Annual General Meeting of the Company to be held in every year, such number of Directors as required under the Act shall be liable to retire by rotation.
97. A retiring Director shall be eligible for re election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
98. The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.
99. Directors of the Company may be or become a director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company, subject to compliance with applicable provisions of the Act.

#### PROCEEDINGS OF BOARD OF DIRECTORS

- 100.(a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of one hundred twenty (120) days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year.
- (b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice in accordance with the provisions of the Act.
- (c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting. To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.
101. Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.
102. Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

- 103.(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.
- 104.(a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
- (b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.
- 105.(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.
- (b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.
- 106.(a) A committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.
- (b) The quorum of a committee may be fixed by the Board of Directors.
- 107.(a) A committee may meet and adjourn as it thinks proper.
- (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.
108. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.
109. Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at 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.
110. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.
- 111.(a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure 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 to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money 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 by a Special Resolution at a General Meeting, exceed the aggregate

of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

- (b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.
- (c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
- (d) Any bonds, debentures, debenture-stock or other securities may if permissible in applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into equity shares shall not be issued except with the sanction of the Company in General Meeting accorded by a Special Resolution.

112.(a) Subject to the provisions of the Act, so long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non-Banking Financial Company controlled by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the 'Corporation') so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as 'Nominee Directors/s') on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

- (b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (c) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

113.(a) The Board may from time to time and in accordance with the Act, appoint one or more of the Directors to the office of the managing Director and/ or whole time Directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more managing Directors and/ or whole-time Directors.

(c) In the event of any vacancy arising in the office of a managing Director and/or whole time Director, the vacancy shall be filled by the Board of Directors in accordance with the provisions of the Act.

(d) If a managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing Director/whole time Director.

(e) The managing Director and/or whole time Director shall be liable to retirement by rotation as long as he holds office as managing Director or whole-time Director.

114. The managing Directors\whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees

in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

115. Subject to the provisions of the Act,

- (a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.
- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.
- (c) A provision of the Act or the Articles requiring or authorizing a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

116. The Board shall provide for the safe custody of the common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

117. The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Directors or a committee of the Directors previously given, and in the presence of one Director or the company secretary or such other person duly authorised by the Directors or a committee of the Directors, who shall sign every instrument to which the seal is so affixed in his presence

118. The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose.

119. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

120. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

121. (a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these Articles and subject to the provisions of these Articles as to the reserve fund, shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid. However, if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(b) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

(c) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called 'Unpaid Dividend Account of Citichem India Limited'.

(d) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investors Education and Protection Fund established under the Act.

(e) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(f) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

122.(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 applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

(b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

123. Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares of or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

124. The Board may retain dividends payable upon shares in respect of which any person is, under the applicable Articles hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

125. Any one of two or more joint holders of a share may give effective receipt for any dividends, or other moneys payable in respect of such shares.

126. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

127. No dividends shall bear interest against the Company.

128. Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

#### CAPITALISATION OF PROFITS

129. (a) The Company in General Meeting, may, on recommendation of the Board resolve:

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in sub-clause (c) below, either in or towards:

(i) paying up any amounts for the time being unpaid on shares held by such Members respectively;

(ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly that specified in sub-clause (ii).

(iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.

(v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

130.(a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:



(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(b) The Board shall have full power:

(i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and

(ii) to authorize 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 or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.

(c) Any agreement made under such authority shall be effective and binding on such Members.

## ACCOUNTS

131. The Books of Account shall be kept at such place in India as the Directors think fit.

132. The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.

133. No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

## SERVICE OF DOCUMENTS AND NOTICE

134. Each registered holder of shares from time to time notify in writing to the Company such 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.

135. If a Member has no registered address in India and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

136. A document may be served by the Company on 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 or representatives of the deceased, assignees of the insolvent by any like description 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 as if the death or insolvency had not occurred.

137. Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

138. Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share.

139. Any notice to be given by the Company shall be signed by the managing Director or by such Director or Secretary (if any) 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.

## WINDING UP

140. Subject to the applicable provisions of the Act—

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.
- (d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

141. Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

142. Subject to the provisions of the Act, every Director and officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

143. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### SECRECY CLAUSE

144. No Member shall be entitled to inspect the Company's works without the permission of the managing Director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

#### GENERAL POWER

145. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## SECTION IX – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of this Draft Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Prospectus until the Issue Closing Date. The copies of the contracts and also the documents for inspection referred to hereunder have also been uploaded on the website of our Company at [www.citichemindia.com](http://www.citichemindia.com) and are available for inspection from date of the Draft Prospectus until the Issue Closing Date.

#### Material Contracts for the Issue

- (1) Issue Agreement dated April 24, 2024, amongst our Company, and the Lead Manager.
- (2) Registrar Agreement dated June 01, 2024, amongst our Company and the Registrar to the Offer.
- (3) Bankers to the Issuer Agreement dated [●] amongst our Company, the Registrar to the Offer, the Lead Manager, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).
- (4) Underwriting Agreement dated [●] amongst our Company, and the Underwriters.
- (5) Tripartite agreement dated June 1, 2014, amongst our Company, NSDL and the Registrar to the Offer.
- (6) Tripartite agreement dated March 21, 2023 amongst our Company, CDSL and the Registrar to the Offer.

#### Material Documents

- (7) Certified copies of updated MoA and AoA of our Company, amended from time to time.
- (8) Certificate of incorporation dated March 18, 1992, issued to our Company, by Assistant Registrar of Companies of Maharashtra under the name 'Citichem Alkalies (Bombay) Private Limited'.
- (9) Certificate of incorporation dated March 23, 1999, issued to our Company, by Assistant Registrar of Companies of Maharashtra under the name 'Citichem Alkalies (Bombay) Limited'.
- (10) Certificate of incorporation dated April 17, 1999, issued to our Company, by Assistant Registrar of Companies of Mumbai, Maharashtra under the name 'Citichem Alkalies (Bombay) Limited'.
- (11) Resolution of the Board of Directors dated April 1, 2024, authorising the Issue and other related matters.
- (12) Shareholders' resolution dated April 24, 2024, in relation to the Issue and other related matters.
- (13) Resolution of the Board of Directors dated, June 18, 2024, approving the Draft Prospectus.
- (14) Consent dated 17<sup>th</sup> June, 2024 from M/s GGPS and Associates, Chartered Accountants, our Peer Review Auditor, to include their names as required under section 26 (1) of the Companies Act, read with ICDR Regulations, in this Draft Prospectus, and as 'experts' as defined under section 2(38) of the Companies Act, in respect of their (a) examination report of Statutory Auditor dated June 07, 2024 on the Restated Financial Information, (b) report dated June 12, 2024 on the statement of special tax benefits and (c) certification in respect of key performance indicators dated June 17, 2024 disclosed in this Draft Prospectus; and such consents has not been withdrawn as on the date of this Draft Prospectus.
- (15) Consents of our Directors, our Company Secretary and Compliance Officer, Legal Advisors to the Offer, Banker(s) to our Company, Banker(s) to the Issue, the Lead Manager, Syndicate Members, and the Registrar to the Offer.
- (16) The examination report dated June 07, 2024 of the Statutory Auditor on the Restated Financial Information.
- (17) The report dated June 12, 2024 on the statement of special tax benefits from the Peer Review Auditor.

- (18) Copies of annual reports of our Company for the preceding three Fiscals.
- (19) Due diligence certificate dated June 21, 2024, addressed to the Designated Stock Exchange from the Lead Manager.
- (20) In principle listing approval dated [●] and [●] issued by BSE Limited.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines and regulations issued by the Government of India and the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements made in this Draft Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS AND CFO OF OUR COMPANY

<b>Mr. Arif Esmail Merchant</b> Chairman and Managing Director DIN: 500363	<b>Hashim Arif Merchant</b> Executive Director DIN: 03015945
<b>Mr. Wasim Nisar Rizvi</b> Non- Executive Director DIN: 8651434	<b>Ms. Valentina Priyanka Creado</b> Non- Executive and Independent Director DIN: 009835529
<b>Mr. Vijay Kumar Bhatt</b> Non- Executive and Independent Director DIN: 10046766	<b>Ms. Farheen Ansari</b> Chief Financial Officer
<b>Ms. Puja Sharma</b> Company Secretary and Compliance Officer	

**Place:** Maharastra

**Date:** Friday, June 24, 2024