



Please Scan this QR Code to view the Draft Prospectus



Draft Prospectus
Dated: January 24, 2025
Please read section 26 & 32 of the
Companies Act, 2013
This Draft Prospectus will be
updated upon filing with RoC
Fixed Price Issue

SATOL CHEMICALS LIMITED
(Formerly known as Satol Chemicals Private Limited)
CIN: U24290MH2020PLC348489

| Registered & Corporate Office | Contact Person | Email and Telephone | Website |
|---|---|--|---|
| 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India | Mr. Nitin Vinayak Kore Company Secretary & Compliance Officer | E-mail: cs@satol.net Tel No: +91 7045991153 | https://www.satol.net |

NAMES OF PROMOTERS OF THE COMPANY

(i) Mr. Bhavesh Thakarshibhai Parsana and (ii) Mrs. Mayuri Bhavesh Parsana

DETAILS OF OFFER TO PUBLIC, PROMOTERS/SELLING SHAREHOLDERS

| Type | Fresh Issue Size | OFS Size | Total Issue Size | Eligibility – 229(1) / 229(2) & Share Reservation amount QIB, NII & RII |
|-------------|---|----------|--|--|
| Fresh Issue | Up to 42,00,000 Equity Shares aggregating to ₹ 3,024.00 Lakhs | Nil | Up to 42,00,000 Equity Shares aggregating to ₹ 3,024.00 Lakhs | The Issue is being made pursuant to Regulation 229(2) of SEBI ICDR Regulations, as the Company's post issue Paid-up capital would be more than ₹10.00 Crores (Rupees Ten Crores). Share Reservation: Minimum 50% to the Retail Individual Investors of “Net Issue” Minimum 5% to the Market Maker of “Issue” |

OFS: Offer for Sale

Details of OFS by Promoter(s)/Promoter Group/Other Selling Shareholders: - NIL -

RISKS IN RELATION TO THE FIRST ISSUE – The face value of the Equity Shares is ₹10/- each. The Issue Price of ₹72/- per equity share (determined and justified by our Company in consultation with the Lead Manager as stated in “*Basis for Issue Price*” on page 79 of this draft prospectus) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares 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 “*Risk Factors*” beginning on page 22 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 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 of our company issued through this Draft Prospectus are proposed to be listed on the **SME Platform of BSE Limited (“BSE SME”)**. For the purpose of this Issue, **BSE Limited (“BSE”)** is the **Designated Stock Exchange**.

LEAD MANAGER TO THE ISSUE

| Name and Logo | Contact Person | E-mail & Telephone |
|--|------------------------|---|
|  FINSHORE Creating Enterprise Managing Values FINSHORE MANAGEMENT SERVICES LIMITED | S. Ramakrishna Iyengar | Email: info@finshoregroup.com Telephone: 033 – 2289 5101 / 4603 2561 |

REGISTRAR TO THE ISSUE

| Name and Logo | Contact Person | E-mail & Telephone |
|---|-------------------|--|
|  KFINTECH EXPERIENCE TRANSFORMATION KFIN TECHNOLOGIES LIMITED | M. Murali Krishna | Email: satol.ipo@kfintech.com Telephone: ++91 40 6716 2222/ 1800 309 4001 |

ISSUE PROGRAMME

| | |
|----------------------------|------------------------------|
| ISSUE OPENS ON: [●] | ISSUE CLOSSES ON: [●] |
|----------------------------|------------------------------|



Draft Prospectus
Dated: January 24, 2025
Please read section 26 & 32 of the
Companies Act, 2013
This Draft Prospectus will be
updated upon filing with RoC
Fixed Price Issue

SATOL CHEMICALS LIMITED

(Formerly known as Satol Chemicals Private Limited)

Our Company was originally incorporated as a Private Limited Company in the name of "Satol Chemicals Private Limited" on October 23, 2020 under the provisions of Companies Act, 2013 bearing Corporate Identification Number U24290MH2020PTC348489 issued by Registrar of Companies, Central Registration Centre. Subsequently, our company was converted into Public Limited Company and the name of our Company was changed to "Satol Chemicals Limited". This alteration was formally recorded in a new Certificate of Incorporation dated July 01, 2024, with the Corporate Identification Number U24290MH2020PLC348489, issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled "Our History and Certain Corporate Matters" beginning on page no 151 of the Draft Prospectus.

Registered & Corporate Office: 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India

Contact Person: Mr. Nitin Vinayak Kore, Company Secretary & Compliance Officer; Tel No: +91 7045991153,

E-Mail ID: cs@satol.net, Website: <https://www.satol.net>; CIN: U24290MH2020PLC348489

OUR PROMOTERS: (I) MR. BHAVESH THAKARSHIBHAI PARSANA; AND (II) MRS. MAYURI BHAVESH PARSANA

THE ISSUE

INITIAL PUBLIC OFFER OF UP TO 42,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF SATOL CHEMICALS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹72/- PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹62/- PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING TO ₹ 3,024.00 LAKHS ("THE ISSUE"), OF WHICH 2,11,200 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹72/- PER EQUITY SHARE, AGGREGATING TO ₹ 152.06 LAKHS WILL BE RESERVED FOR SUBSCRIPTIONS BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 39,88,800 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹72/- PER EQUITY SHARE, AGGREGATING TO ₹ 2,871.94 LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.35% AND 25.98% RESPECTIVELY OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹10/- EACH AND THE ISSUE PRICE IS ₹ 72/- EACH i.e., 7.2 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. THE MINIMUM LOT SIZE IS 1,600 EQUITY SHARES

THIS OFFER IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2018 (THE "SEBI ICDR REGULATIONS") READ WITH RULE 19(2)(b)(i) OF SCRR AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET OFFER TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253(2) OF THE SEBI (ICDR) REGULATIONS, 2018. (For further details please see "The Issue" beginning on page no. 46 of this Draft Prospectus.) A copy will be delivered for filing to the Registrar of Companies as required under sub-section 4 of Section 26 of the Companies Act, 2013.

In terms of Regulation 256 of SEBI ICDR Regulations read with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and Unified Payments Interface (UPI) introduced vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 all the potential investors shall participate in the issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about 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/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor. (For details in this regard, specific attention is invited to "Issue Procedure" beginning on page no. 256 of this Draft Prospectus.)

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is ₹10/- each and the issue price is 7.2 times of face value of the equity share. The issue price should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of "Risk factors" beginning on page no. 22 of this Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our company issued through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited. In terms of Chapter IX of the SEBI ICDR Regulations, as amended from time to time, our company has received an "in-principle" approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the BSE SME. For the purposes of the issue, the Designated Stock Exchange will be BSE Limited ("BSE").

LEAD MANAGER TO THE ISSUE

 **FINSHORE**
Creating Enterprise Managing Values
FINSHORE MANAGEMENT SERVICES LIMITED
Anandlok Building, Block-A, 2nd Floor, Room No. 207,
227 A.J.C Bose Road, Kolkata-700020, West Bengal, India
Telephone: 033 – 2289 5101 / 4603 2561
Email: info@finshoregroup.com
Contact Person: Mr. S. Ramakrishna Iyengar
Website: www.finshoregroup.com
Investor Grievance Email: investors@finshoregroup.com
SEBI Registration No: INM000012185
CIN No: U74900WB2011PLC169377

REGISTRAR TO THE ISSUE

 **KFINTECH**
EXPERIENCE TRANSFORMATION
KFIN TECHNOLOGIES LIMITED
Selenium, Tower-B, Plot 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana, India
Telephone: +91 40 6716 2222/ 1800 309 4001
Email: satol.ipo@kfintech.com
Contact Person: M. Murali Krishna
Website: www.kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
SEBI Registration Number: INR000000221
CIN No: L72400TG2017PLC117649

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

| | |
|---|-----|
| SECTION I: DEFINITIONS AND ABBREVIATIONS | 2 |
| DEFINITIONS AND ABBREVIATIONS..... | 2 |
| CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION..... | 13 |
| FORWARD-LOOKING STATEMENTS..... | 15 |
| SECTION II: SUMMARY OF DRAFT PROSPECTUS | 16 |
| SUMMARY OF DRAFT PROSPECTUS..... | 16 |
| SECTION III: RISK FACTORS | 22 |
| RISK FACTORS..... | 22 |
| SECTION IV: INTRODUCTION | 46 |
| THE ISSUE..... | 46 |
| SUMMARY OF FINANCIAL INFORMATION..... | 47 |
| SECTION V: GENERAL INFORMATION | 50 |
| GENERAL INFORMATION..... | 50 |
| SECTION VI: CAPITAL STRUCTURE | 58 |
| CAPITAL STRUCTURE..... | 58 |
| SECTION VII: PARTICULARS OF THE ISSUE | 69 |
| OBJECT OF THE ISSUE..... | 69 |
| BASIS FOR ISSUE PRICE..... | 79 |
| STATEMENT OF POSSIBLE TAX BENEFITS..... | 85 |
| SECTION VIII: ABOUT THE COMPANY AND THE INDUSTRY | 90 |
| INDUSTRY OVERVIEW..... | 90 |
| OUR BUSINESS..... | 111 |
| KEY INDUSTRY REGULATIONS AND POLICIES..... | 138 |
| OUR HISTORY AND CERTAIN CORPORATE MATTERS..... | 151 |
| OUR MANAGEMENT..... | 154 |
| OUR PROMOTERS AND PROMOTER GROUP..... | 169 |
| GROUP ENTITIES OF OUR COMPANY..... | 175 |
| RELATED PARTY TRANSACTIONS..... | 176 |
| DIVIDEND POLICY..... | 177 |
| SECTION IX: FINANCIAL INFORMATION | 178 |
| FINANCIAL STATEMENTS AS RESTATED..... | 178 |
| FINANCIAL INDEBTEDNESS..... | 212 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS..... | 214 |
| SECTION X: LEGAL AND OTHER INFORMATION | 225 |
| OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS..... | 225 |
| GOVERNMENT AND OTHER APPROVALS..... | 230 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES..... | 234 |
| SECTION XI: ISSUE INFORMATION | 247 |
| TERMS OF THE ISSUE..... | 247 |
| ISSUE STRUCTURE..... | 254 |
| ISSUE PROCEDURE..... | 256 |
| RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES..... | 276 |
| DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION..... | 277 |
| SECTION XII: OTHER INFORMATION | 292 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION..... | 292 |
| DECLARATION..... | 294 |

SECTION I: DEFINITIONS AND ABBREVIATIONS

DEFINITIONS AND ABBREVIATIONS

This draft prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this draft prospectus, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

General Terms

| TERMS | DESCRIPTIONS |
|--|---|
| “Satol Chemicals Limited”, “Satol”, “SCL” “The Company”, “Our Company”, “Issuer Company” or “Issuer” | Unless the context otherwise indicates or implies, Satol Chemicals Limited a public limited company incorporated under the provision of Companies Act, 2013 and having its Registered Office at 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India. |
| “we”, “our” or “us” | Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies. |
| Our Promoters or Promoters of the Company | The promoters of our company being Mr. Bhavesh Thakarshibhai Parsana and Mrs. Mayuri Bhavesh Parsana. |
| Promoter Group | Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed under Section titled “Our Promoters and Promoter Group” |

Company Related Terms

| TERMS | DESCRIPTIONS |
|--|---|
| “Articles” or “Articles of Association” or “AOA” | The Articles of Association of our Company, as amended from time to time. |
| Audit Committee | Audit Committee of our Company constituted in accordance with Companies Act, 2013 as disclosed in the Section titled “ Our Management ” on page no. 154 of this draft prospectus. |
| “Board of Director(s)” or “the/our Board” | Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof. |
| “CFO” or Chief Financial Officer | The Chief Financial Officer of our company being “ Ms. Shilpa Kamlakar Tondwalkar. ” |
| CIN | Corporate Identification Number |
| Companies Act | The Companies Act, 2013 as applicable. |
| Company Secretary & Compliance Officer | The Company Secretary & Compliance Officer of our company being “ Mr. Nitin Vinayak Kore. ” |
| Corporate Social Responsibility committee | Corporate Social Responsibility committee in accordance with the Companies Act, 2013 as disclosed in the Section titled “ Our Management ” on page no. 154 of this draft prospectus. |
| DIN | Directors Identification Number. |
| Director/Director(s) | The directors of our Company, unless otherwise specified |
| ED | Executive Director |
| Equity Shares | The Equity Shares of our Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof. |
| Equity Shareholders | Persons/Entities holding Equity Shares of our Company. |
| Export | Export means taking goods out of India to a place outside India |
| Group Companies/Entities | Such companies with which there were related party transactions, during the period for which financial information is disclosed in this draft prospectus, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in “Our Group Companies” |
| HUF | Hindu Undivided Family |
| IBC | The Insolvency and Bankruptcy Code, 2016 |

| TERMS | DESCRIPTIONS |
|---|---|
| IFRS | International Financial Reporting Standards |
| Ind AS | Indian Accounting Standard |
| Ind GAAP | Generally Accepted Accounting Principles in India. |
| Import | Import means bringing goods into India from a place outside India |
| Independent Director | Non-executive & Independent Director as per the Companies Act, 2013 |
| IT Act | The Income Tax Act, 1961 as amended till date |
| JV / Joint Venture | A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities. |
| ISIN | International Securities Identification Number In this case being “INE10ZP01013” |
| KMP / Key Managerial Personnel | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “Our Management” beginning on page no. 154 of this draft prospectus. |
| MD | Managing Director |
| Materiality Policy | The policy on identification of group companies, material creditors and material litigation, adopted by our Board in accordance with the requirements of the SEBI (ICDR) Regulations |
| Memorandum/Memorandum of Association/MoA | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “Our Management” on page no. 154 of this draft prospectus. |
| Non-Residents | A person resident outside India, as defined under FEMA Regulations, 2000 |
| Peer Review/Statutory Auditor | The Statutory Auditors of our Company having a valid Peer Review certificate in our case being “M/s. Vijay Darji & Associates, Chartered Accountant” , C-82, Sita Sadan, Sai Baba Nagar, Off Dev Nagar, Kandivali (West), Mumbai – 400067. |
| Promoters | Shall mean promoters of our Company as mentioned in this draft prospectus. |
| Promoter Group | Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoter and Promoter Group” beginning on page no. 169 of this draft prospectus. |
| Registered Office | 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India. |
| Restated Financial Statement | Audited Financial Statements for the six months ended on 30 th September, 2024 and for the financial years ended on 31 st March, 2024, 31 st March 2023 and 31 st March 2022, as restated in accordance with SEBI (ICDR) Regulations, comprises of (i) Financial Information as per Restated Summary Financial Statements and (ii) Other Financial Information. |
| RoC/Registrar of Companies | The Registrar of Companies, Mumbai |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act, 1992. |
| Senior Management | Senior Management means the officers and personnel of the issuer as defined in Regulation 2(1)(bbbb) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. For details, please refer to section titled “Our Management” on page no. 154 of this draft prospectus. |
| Shareholders | Shareholders of our Company |
| Subscriber to MOA / Initial Promoters | Initial Subscriber to MOA |
| WTD | Whole Time Director |
| Stakeholders Relationship Committee | Stakeholder’s relationship committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed in the Section titled “Our Management” on page no. 154 of this draft prospectus. |
| Wilful Defaulter(s) or Fraudulent Borrower(s) | A person or an issuer who or which is categorized as a wilful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations 2018. |

Issue Related Terms

| TERMS | DESCRIPTIONS |
|---|--|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form. |
| Allot/Allotment of/ Allotted Equity Shares | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Allottee(s) | A successful Applicant (s) to whom the Equity Shares are being/have been issued/allotted. |
| Applicant/Investor | Any prospective investor who makes an application pursuant to the terms of the draft prospectus and the Application Form. |
| Application | An indication to make an offer during the Issue Period by an Applicant, pursuant to submission of Application Form, to subscribe for or purchase our Equity Shares at the Issue Price including all revisions and modifications thereto, to the extent permissible under the SEBI (ICDR) Regulations. |
| Application Amount | The number of Equity Shares applied for and as indicated in the Application Form multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form. |
| Application Form | The form in terms of which an Applicant shall make an Application and which shall be considered as the application for the Allotment pursuant to the terms of this draft prospectus. |
| Application Supported by Blocked Amount/ASBA or UPI | An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount in the ASBA Account including the bank account linked with UPI ID. Pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor. |
| ASBA Account | A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form |
| ASBA Applicant(s) | Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this draft prospectus. |
| ASBA Forms | An application form (with or without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the draft prospectus. |
| ASBA Application Location(s)/Specified Cities | Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on https://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 |
| Banker to the Issue | Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Public Issue Account will be opened, in this case being “[●]” |
| Banker to the Issue Agreement | Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, as described in the Section titled, “ <i>Issue Procedure, - Basis of Allotment</i> ” beginning on page no. 256 of this draft prospectus. |
| Broker Centers | Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers, are available on the website of the BSE i.e., www.bseindia.com . |
| Broker to the Issue | All recognized members of the stock exchange of BSE would be eligible to act as the Broker to the Issue. |
| Business Day | Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays). |
| CAN or Confirmation of Allocation Note | The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange. |

| TERMS | DESCRIPTIONS |
|---|---|
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Collection Centers | Centers at which the Designated Intermediaries shall accept the ASBA Forms. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI. |
| Controlling Branches of SCSBs | Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details. |
| Depository/Depositories | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL. |
| Depository Participant/DP | A depository participant as defined under the Depositories Act, 1966. |
| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.bseindia.com |
| Designated Date | The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account, as appropriate in terms of the draft prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange. |
| Designated Intermediaries/ Collecting Agent | An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity). |
| Designated RTA Locations | Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com |
| Designated Stock Exchange | BSE Limited |
| Draft prospectus | The Draft prospectus dated January 24, 2025 issued in accordance with Section 26 & 32 of the Companies Act, 2013 filed with BSE Limited under SEBI (ICDR) Regulations. |
| DP | Depository Participant. |
| DP ID | Depository Participant's Identity number. |
| Eligible NRI(s) | NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this draft prospectus constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof. |
| Eligible QFIs | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the draft prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants. |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable. |
| Equity Shares | Equity Shares of our Company of face value ₹10/- each. |
| FII/Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First/Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form. |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000. |
| FPI / Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till |

| TERMS | DESCRIPTIONS |
|--|---|
| | the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended |
| General Information Document / GID | The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. |
| GIR Number | General Index Registry Number. |
| IPO | Initial Public Offering |
| Issue/Public Issue/Issue Size Initial Public Issue/IPO | Public issue of 42,00,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹72/- per Equity Share aggregating to ₹ 3,024.00 Lakhs by our Company, in terms of this draft prospectus. |
| Issue Agreement | The Issue Agreement dated January 13, 2025 between our Company and Lead Manager. |
| Issue Closing Date | The date on which Issue Closes for Subscription. |
| Issue Opening Date | The date on which Issue Opens for Subscription. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application. |
| Issue Price | The price at which the Equity Shares are being issued by our Company being ₹72/- per Equity Share. |
| Issue Proceeds | The proceeds of the Issue as stipulated by the Company. For further information about the use of the Issue Proceeds please refer to Section titled “ <i>Objects of the Issue</i> ” beginning on page no. 69 of this draft prospectus. |
| Lead Manager/LM | means a merchant banker registered with the SEBI and appointed by the issuer to manage the issue and in case of a book-built issue, the lead manager(s) appointed by the issuer shall act as the book running lead manager(s) for the purposes of book building. Lead Manager to the Issue, in this case being “ <i>M/s. Finshore Management Services Limited</i> ”. |
| Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited. |
| Market Maker | Market Maker appointed by our Company from time to time, in this case being “[●]” who 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 any other period as may be notified by SEBI from time to time. |
| Market Making Agreement | The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker. |
| Market Maker Reservation Portion | Up to 2,11,200 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹72/- per Equity Share aggregating to ₹ 152.06 Lakhs only. |
| Mutual Fund(s) | Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of up to 39,88,800 Equity Shares of face value ₹10/- each for cash at an Issue price of ₹72/- per Equity Share (the “Issue Price”), aggregating up to ₹ 2,871.94 Lakhs Only. |
| Net Proceeds | The Issue Proceeds, less the Issue related expenses, received by the Company. |
| NPCI | National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA) |
| Non-Institutional Investors or NIIs | All Applicants, including sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an amount of more than ₹2 Lakh (but not including NRIs other than Eligible NRIs). |
| BSE | BSE Limited |
| BSE SME / SME Platform of BSE | SME Platform of BSE Limited as per the Rules and Regulations laid down by SEBI for listing of equity shares |
| Other Investor | Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Overseas Corporate Body/OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. |

| TERMS | DESCRIPTIONS |
|--|--|
| Other Investors | Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Prospectus | The prospectus dated [●] registered with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013 and SEBI ICDR Regulations. |
| Public Issue Account | The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date. |
| Qualified Institutional Buyers or QIBs | A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Registered Brokers | Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI. |
| Registrar/Registrar to this Issue/RTI | Registrar to the Issue in our case being “M/s. KFin Technologies Limited.” |
| Registrar Agreement | The agreement dated November 04, 2024 entered between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue. |
| Regulations | SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time. |
| Reserved Category/ Categories | Categories of persons eligible for making application under reservation portion. |
| Retail Individual Bidder(s) or RIB(s) or Retail Individual Investor(s) or RII(s) | Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs) |
| Revision Form | The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable. |
| Self-Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes |
| SME Exchange | “SME exchange” means a trading platform of a recognised stock exchange having nationwide trading terminals permitted by the SEBI to list the specified securities issued in accordance with Chapter IX of SEBI ICDR and includes a stock exchange granted recognition for this purpose but does not include the Main Board; |
| Specified Locations | Collection Centres where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time. |
| Sponsor Bank | Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail investors into the UPI |
| SEBI (ICDR) Regulations / ICDR Regulation / Regulation | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Takeover Regulations or SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |
| SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR) | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time. |

| TERMS | DESCRIPTIONS |
|------------------------------------|--|
| Transaction Registration Slip /TRS | The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application |
| UPI | Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c. |
| UPI Circulars | SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/OW/P/2021/2481/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI master circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 (to the extent that such circulars pertain to the UPI Mechanism), SEBI master circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, SEBI circular number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, SEBI master circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, SEBI master circular number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 (each to the extent not rescinded by the SEBI ICDR Master Circular in relation to the SEBI ICDR Regulations), NSE Circular Reference No. 23/2022 dated July 22, 2022 and 25/2022 dated August 03, 2022 and BSE Circular Reference No. 20220722-30 dated July 22, 2022 and 20220803-40 dated August 03, 2022 and any subsequent circulars or notifications issued by SEBI in this regard. |
| UPI ID | ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI). |
| UPI Mandate Request | A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI(https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time |
| UPI Mechanism | The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues |
| UPI PIN | Password to authenticate UPI transaction |
| Underwriters | M/s. Finshore Management Services Limited |
| Underwriting Agreement | The Underwriting Agreement dated [●] entered into between our Company and the Underwriters. |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Working Days | “Working day” means all days on which commercial banks in Mumbai are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the SEBI, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018. |

Conventional and General Terms

| TERMS | DESCRIPTIONS |
|--|--|
| ACIT | Assistant Commissioner of Income Tax. |
| AIF(s) | The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| Air Act, 1981 | Air (Prevention and Control of Pollution) Act, 1981. |
| Category I Foreign Portfolio Investor(s) | FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations. |
| Category II Foreign Portfolio Investor(s) | FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations. |
| Category III Foreign Portfolio Investor(s) | FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations. |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under. |
| Companies Act/Companies Act, 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under. |
| Competition Act | The Competition Act, 2002. |
| Consolidated FDI Policy | Consolidated FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time. |
| CST Act | Central Sales Tax Act, 1956. |
| FCNR Account | Foreign currency non-resident account. |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations there under. |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000. |
| FII(s) | Foreign Institutional Investors as defined under the SEBI FPI Regulations. |
| Financial Year/ Fiscal/ Fiscal Year/F.Y. | Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated. |
| Foreign Portfolio Investor or FPI | Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India. |
| Fugitive economic offender | “Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018) |
| FVCI | Foreign Venture Capital Investor, registered under the FVCI Regulations. |
| FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| Hazardous Waste Rules, 2008 | Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008. |
| Income Tax Act or the I.T. Act | The Income Tax Act, 1961. |
| Ind AS | New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended. |
| LLP Act | The Limited Liability Partnership Act, 2008. |
| Notified Sections | The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this draft prospectus. |
| NRE Account | Non-resident external account. |
| NRO Account | Non-resident ordinary account. |
| RBI Act | Reserve Bank of India Act, 1934. |
| SCRA | Securities Contracts (Regulation) Act, 1956. |
| SCRR | Securities Contracts (Regulation) Rules, 1957. |
| SEBI | The Securities and Exchange Board of India, constituted under the SEBI Act. |
| SEBI Act | Securities and Exchange Board of India Act, 1992. |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. |

| TERMS | DESCRIPTIONS |
|--|--|
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time. |
| SEBI (LODR) Regulations/ SEBI Listing Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. |
| SEBI VCF Regulations | The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996. |
| Securities Act | U.S. Securities Act of 1933, as amended. |
| State Government | The government of a state of the Union of India. |
| STT | Securities Transaction Tax. |
| Sub-account | Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals. |
| VCFs | Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations. |
| Water Act, 1974 | Water (Prevention and Control of Pollution) Act, 1974. |

Technical and Industry related terms

| TERMS | DESCRIPTIONS |
|------------|---|
| BPM | Business Process Management |
| BU | Billion Units |
| CAGR | Compounding Annual Growth Rate |
| CPI | Consumer Price Index |
| CSO | Central Statistics Office's |
| DGGI | Director General of Goods & Services Tax Intelligence |
| DIPP | Department of Industrial Policy and Promotion |
| DPIIT | Department for Promotion Industry and Internal Trade |
| DPR | Detailed Project Report |
| EDP | Electronic Data Processing |
| EPFO | Employees' Provident Fund Organisation |
| ESI | Employee State Insurance |
| EU | European Union |
| FCNR | Foreign Currency Non-Resident |
| FDI | Foreign Direct Investment |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GST | Goods and Service Tax |
| GVA | Gross Value Added |
| G-sec | Government Securities |
| IBEF | India Brand Equity Foundation |
| IDDB | Independent Director's Data Bank |
| IICA | Indian Institute of Corporate Affairs |
| IMF | International Monetary Fund |
| IMP/HRS | Impression per Hour |
| INR | Indian Rupee Rates |
| MNC | Multinational Corporation |
| MOU | Memorandum of Understanding |
| MSMEs | Micro, Small and Medium Enterprises |
| MYEA | Mid-Year Economic Analysis |
| NH | National Highway |
| NITI Aayog | National Institution for transforming India |
| NMP | National Manufacturing Policy |
| OMR | Optical Marking Recognition |

| TERMS | DESCRIPTIONS |
|-------|---|
| OSA | Out Sourcing Agent |
| PMA | Preferential Market Access |
| PSUs | Public Sector Undertaking |
| RIMS | Records and Information Management Services |
| RBI | Reserve Bank of India |
| R & D | Research and Development |
| SED | Strategic Engineering Division |
| SEZ | Special Economic Zone |
| SMB | Server Message Block |
| TFA | Trade Facilitation Agreement |
| UPS | Uninterrupted Power Supply |
| US | United States |
| VDP | Variable Data Printing |
| WPI | Wholesale Price Index |

Abbreviations

| TERMS | DESCRIPTIONS |
|-------------------------|---|
| ₹ or ₹ or Rupees or INR | Indian Rupees. |
| AGM | Annual General Meeting. |
| AS/Accounting Standards | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| A.Y. | Assessment year. |
| BC | Before Christ. |
| BPLR | Bank Prime Lending Rate. |
| BSE | BSE Limited. |
| CARO | Companies (Auditor's Report) Order, 2016 & 2020, as amended |
| CDSL | Central Depository Services (India) Limited. |
| CEO | Chief Executive Officer. |
| CIN | Corporate Identity Number. |
| CLB | Company Law Board. |
| CrPC | Criminal Procedure Code, 1973, as amended. |
| CSR | Corporate Social Responsibility. |
| DIN | Director Identification Number. |
| DP ID | Depository participant's identification. |
| ECS | Electronic Clearing System. |
| EBITDA | Earnings before Interest, Tax Depreciation and Amortisation. |
| EGM | Extraordinary General Meeting of the Shareholders of the Company. |
| EPS | Earnings Per Share. |
| ESOS | Employee Stock Option Scheme. |
| FDI | Foreign Direct Investment. |
| FIPB | Foreign Investment Promotion Board. |
| GAAR | General anti avoidance rules. |
| GBP | Great Britain Pound. |
| GIR | General index register. |
| GoI/Government | Government of India. |
| GST | Goods & Service Tax |
| HNI | High Net Worth Individual. |
| HUF | Hindu Undivided Family. |
| ICAI | Institute of Chartered Accountants of India. |
| IFRS | International Financial Reporting Standards. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| ISO | International Organization for Standardization. |
| IT Act | The Income Tax Act, 1961, as amended. |
| IT Rules | The Income Tax Rules, 1962, as amended. |
| JV | Joint Venture. |
| MCA | Ministry of Corporate Affairs, Government of India. |
| MoU | Memorandum of Understanding. |
| N.A. | Not Applicable. |

| TERMS | DESCRIPTIONS |
|---------------------|---|
| NAV/Net Asset Value | Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares. |
| NECS | National Electronic Clearing Services. |
| NEFT | National Electronic Fund Transfer. |
| NoC | No Objection Certificate. |
| No. | Number. |
| NR | Non-Resident. |
| NSDL | National Securities Depository Limited. |
| NSE | National Stock Exchange of India Limited |
| NTA | Net Tangible Assets. |
| p.a. | Per annum. |
| PAN | Permanent Account Number. |
| PAT | Profit After Tax. |
| PBT | Profit Before Tax. |
| PCB | Pollution Control Board. |
| P/E Ratio | Price per Earnings Ratio. |
| Pvt. | Private. |
| RBI | Reserve Bank of India. |
| RoC | Registrar of Companies. |
| RONW | Return on Net Worth. |
| RTGS | Real Time Gross Settlement. |
| SCN | Show Cause Notice. |
| SCSB | Self-Certified Syndicate Bank. |
| SME | Small and Medium Enterprises |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TIN | Taxpayers Identification Number |
| UIN | Unique Identification Number. |
| US | United States. |
| VAT | Value Added Tax. |
| w.e.f. | With effect from |
| YoY | Year on Year. |

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

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” in this draft prospectus are to the Republic of India.

Unless stated otherwise, all references to page numbers in this draft prospectus are to the page numbers of this draft prospectus.

In this draft prospectus, the terms “the Company”, “our Company”, “Issuer”, “Issuer Company”, “Satol” and “SCL” unless the context otherwise indicates or implies, refers to **“Satol Chemicals Limited”**.

In this draft prospectus, the terms “we”, “us”, “our”, unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, Associates and Group Companies, if any.

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

FINANCIAL DATA

Unless stated otherwise, the financial information in this draft prospectus are extracted from the restated Financial Statements of our Company for the six months ended 30th September, 2024 and for the financial years ended 31st March, 2024, 31st March 2023, 31st March 2022, prepared in accordance with Indian GAAP and the Companies Act, and restated in accordance with the SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled **“Financial Statements as Restated”** beginning on page no 178 of this draft prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. 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 decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, Ind AS, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the draft prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the draft prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this draft prospectus, including in the Sections titled **“Risk Factors”**, **“Our Business”** and **“Management’s Discussion and Analysis of Financial Condition and Results of Operations”** beginning on page no. 22, 111, and 214 respectively, have been calculated on the basis of the restated audited financial statements of our Company included in this draft prospectus.

CURRENCY AND UNITS OF PRESENTATION

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “£” or “GBP” are to Great Britain Pound, the official currency of the United Kingdom. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America

Our Company has presented certain numerical information in this draft prospectus in “Lakh” units. One lakh represents 1,00,000. In this draft prospectus, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million and ‘billion / bn./ Billions’ means ‘one hundred crores’

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this draft prospectus has been derived from Ministry of Statistics and Programme Implementation (MOSPI), RBI, Press Information Bureau, Department of Industrial Policy & Promotion, Department for Promotion of Industry and Internal Trade, India Brand Equity Foundation (IBEF) and industry publications etc. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this draft prospectus is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. 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.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled **“Risk Factors”** beginning on page no. 22 of this draft prospectus. Accordingly, investment decisions should not be based on such information.

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# | As on September 30, 2024 | As on March 28, 2024* | As on March 31, 2023 | As on March 31, 2022 |
|-----------|--------------------------|-----------------------|----------------------|----------------------|
| 1 USD | 83.79 | 83.37 | 82.22 | 75.81 |

Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day has been disclosed. The reference rates are rounded off to two decimal places.

**Data for March 29, 30 and 31, 2024 is not available.*

Source <http://www.fbil.org.in>

FORWARD-LOOKING STATEMENTS

The Company has included statements in this draft prospectus which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this draft prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. 22, 90, 111 and 214, respectively, of this draft prospectus.

The forward-looking statements contained in this draft prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

- Changes in laws and regulations relating to the Sectors in which we operate;
- Emergence of alternate products which may be technologically advanced and our inability to keep pace with the change
- Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
- Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
- Any failure to comply with the financial and restrictive covenants under our financing arrangements;
- Our ability to retain and hire key employees or maintain good relations with our workforce;
- Impact of any reduction in sales of our products;
- Increased competition in industries/sector in which we operate;
- Our ability to expand our geographical area of operation;
- General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
- Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
- Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
- Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability; and
- COVID-19 pandemic and similar circumstances

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this draft prospectus until the Equity Shares are allotted to the investors.

SECTION II: SUMMARY OF DRAFT PROSPECTUS

SUMMARY OF DRAFT PROSPECTUS

(A) PRIMARY BUSINESS OF OUR COMPANY AND THE INDUSTRY IN WHICH IT OPERATES:

❖ Primary Business of Our Company:

Satol Chemicals Limited is an ISO 9000:2015 and GMP-certified manufacturer specializing in eco-friendly specialty chemicals, delivering high-quality, effective, and safe cleaning solutions. Our industrial range includes alkaline and acidic cleaners, lubricants, descalers, foam cleaners, defoamers, antiscalants and disinfectants. Additionally, our house-keeping products encompass bathroom and floor cleaners, shampoos, detergent powders, fabric softeners, glass cleaners, grill cleaners, and room fresheners. In the drug and cosmetic segment, we offer premium hand washes, hand sanitizers, germicidal cleaners, and disinfectant floor cleaners, ensuring top-tier quality and safety across all our product lines.

(For Detailed information on our business, please refer to chapter titled “Our Business” beginning from page no. 111 of this draft prospectus.)

❖ Summary of the industry in which our Company operates:

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.

(For further detailed information, please refer to chapter titled “Industry Overview” beginning from page no. 90 of this draft prospectus.)

(B) NAME OF THE PROMOTERS OF OUR COMPANY:

(i) Mr. Bhavesh Thakarshibhai Parsana and (ii) Mrs. Mayuri Bhavesh Parsana are the promoters of our company.

(For further details, please refer chapter “Our Promoters and Promoters Group” beginning from page no. 169 of this draft prospectus.)

(C) SIZE OF THE ISSUE:

Initial Public issue of **42,00,000** equity shares of face value of ₹10/- each (“Equity Shares”) of **Satol Chemicals Limited** (“The Company” or “The Issuer”) for cash at a price of ₹72- per equity share (“The Issue Price”), aggregating to ₹ **3,024.00** Lakhs (“The Issue”), of which **2,11,200** equity shares of face value of ₹10/- each for cash at a price of ₹72/- per equity share, aggregating to ₹ **152.06** lakhs will be reserved for subscriptions by the Market Maker to the issue (The “**Market Maker Reservation Portion**”). The issue less market maker reservation portion i.e., Issue of **39,88,800** equity shares of face value of ₹10/- each for cash at a price of ₹72/- per equity share, aggregating to ₹ **2,871.94** lakhs is here-in after referred to as the “**Net Issue**”. The issue and the net issue will constitute **27.35%** and **25.98%** respectively of the post issue paid up equity share capital of the company.

(For further details, please refer chapter “Terms of the Issue” beginning from page no. 247 of this draft prospectus.)

(D) OBJECTS OF THE ISSUE:

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

₹ in lakhs

| Sr. No. | Particulars | Estimated Amount | % of total issue size | Amount to be financed from Issue Proceeds |
|---------|--|------------------|-----------------------|---|
| A | Part Funding Capital Expenditure towards setting up new manufacturing facility | 2,650.00 | 87.63% | 2,650.00 |
| B | General Corporate Expenses | 66.08 | 2.19% | 66.08 |
| | Total IPO Proceeds | 2,716.08 | 89.82% | 2,716.08 |

For further details, please refer chapter “Objects of the Issue” beginning from page no. 69 of this draft prospectus.

(E) PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTERS GROUP AS ON THE DATE OF THIS DRAFT PROSPECTUS:

| Particulars | Pre-Issue Shareholding | |
|--|------------------------|--------------------|
| | Number of Shares | Percentage holding |
| Promoters | | |
| Bhavesh Thakarshibhai Parsana | 98,78,637 | 88.55% |
| Mayuri Bhavesh Parsana | 12,74,120 | 11.42% |
| Total Promoters Shareholding (A) | 1,11,52,757 | 99.97% |
| Promoter Group | | |
| Arya Bhavesh Parsana | 601 | 0.01% |
| Total Promoters Group Shareholding (B) | 601 | 0.01% |
| Total Promoters & Promoters Group (A+B) | 1,11,53,358 | 99.98% |

For further details, please refer chapter “Capital Structure” beginning from page no. 58 of this draft prospectus.

(F) SUMMARY OF RESTATED FINANCIAL STATEMENTS:

₹ in Lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|------------|------------|------------|------------|
| Total Share Capital | 1.86 | 1.00 | 1.00 | 1.00 |
| Total Net Worth | 1,792.84 | 796.76 | 244.80 | 49.98 |
| Total Revenue from Operations | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |
| Profit After Tax | 311.12 | 551.95 | 194.82 | 65.82 |
| Face Value per equity shares | 10/- | 10/- | 10/- | 10/- |
| Earnings Per Share (Basic & Diluted) <i>(As per Restated financials)</i> | 1,676.12 | 5,519.55 | 1,948.20 | 658.19 |
| Earnings Per Share (Basic & Diluted) <i>(after giving retrospective effect of Bonus)</i> <i>(As per Restated financials)</i> | 2.79 | 9.18 | 3.24 | 1.10 |
| Net Asset Value per equity share <i>(As per Restated financials)</i> | 9,658.64 | 7,967.58 | 2,448.03 | 499.83 |
| Net Asset Value per equity share <i>(after giving retrospective effect of Bonus)</i> <i>(As per Restated financials)</i> | 16.07 | 13.26 | 4.07 | 0.83 |
| Total Borrowings (Fund based) | 326.48 | 1,030.85 | 1,063.15 | 1,113.59 |

(For further details, please refer chapter “Capital Structure” and “Financial Statements as Restated” beginning from page no. 58 and 178 respectively of this draft prospectus.)

(G) AUDITOR QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS:

The auditor report of Restated Financial Information of Satol Chemicals Limited, for the six months ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 does not contain any qualifications which have not been given effect in the restated financial statements.

(For further details, please refer chapter “Financial Statements as Restated” beginning from page no. 178 of this draft prospectus.)

(H) SUMMARY OF OUTSTANDING LITIGATIONS:

A summary of legal and other proceedings is given below:

| Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Other Pending Litigations/ Actions | Aggregate amount involved (₹ in lakhs) |
|-----------------------------|----------------------|-----------------|-------------------------------------|---|----------------------------|------------------------------------|--|
| Company | | | | | | | |
| By the Company | 3 | - | - | - | - | - | 10.69 |
| Against the Company | - | - | - | - | - | - | - |
| Promoters/Directors | | | | | | | |
| By Promoters/Directors | - | - | - | - | - | - | - |
| Against Promoters/Directors | - | 8 | - | - | - | - | 193.12 |
| Group Companies | | | | | | | |
| By the Group Companies | - | - | - | - | - | - | - |
| Against Group Companies | - | - | - | - | - | - | - |

For further details, please refer chapter “Outstanding Litigation and Material Developments” beginning from page no. 225 of this draft prospectus.

(I) CROSS REFERENCE TO THE SECTION TITLED RISK FACTORS:

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 offering. 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 offered 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.

(For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled “Risk Factors” beginning on page no. 22 of this draft prospectus.)

(J) SUMMARY OF CONTINGENT LIABILITIES:

As on date of Draft Prospectus, our company does not have any Contingent Liabilities.

(For further details, please refer chapter “Financial Statements as Restated” beginning from page no. 178 of this draft prospectus.)

(K) SUMMARY OF RELATED PARTY TRANSACTIONS FOR LAST 3 YEARS:

(₹ in Lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|----------------|---------------|---------------|---------------|
| Remuneration paid to Directors | | | | |
| - Bhavesh Thakarshibhai Parsana | 9.00 | 18.00 | 10.80 | 6.00 |
| - Mayuri Bhavesh Parsana | 5.10 | 10.20 | 4.80 | 1.50 |
| Total | 14.10 | 28.20 | 15.60 | 7.50 |
| Sales to Satol Unit II (Proprietorship firm of Bhavesh Parsana) | | | | |
| - | - | - | 84.56 | 426.46 |
| Total | - | - | 84.56 | 426.46 |
| Trademark | | | | |
| - Bhavesh Thakarshibhai Parsana (For Satol) | 0.50 | - | - | - |
| - Bhavesh Thakarshibhai Parsana (For Stanza) | 0.50 | - | - | - |
| Total | 1.00 | - | - | - |
| Royalty Paid | | | | |
| - Bhavesh Thakarshibhai Parsana | - | - | 73.89 | 3.42 |
| Total | - | - | 73.89 | 3.42 |
| Rent paid to Director | | | | |
| - Bhavesh Thakarshibhai Parsana | 1.60 | - | - | - |
| Total | 1.60 | - | - | - |
| Sundry Debtors - Satol Unit II (Proprietorship firm of Bhavesh Parsana) | | | | |
| Opening Balance | 391.95 | 511.02 | 426.46 | - |
| Add: Sales during the year | - | - | 84.56 | 426.46 |
| Less: Amount received during the year | - | (119.07) | - | - |
| Closing Balance of Sundry Debtors | 391.95 | 391.95 | 511.02 | 426.46 |
| Unsecured Loans - Bhavesh Thakarshibhai Parsana | | | | |
| Opening Balance of Loan | 675.00 | 675.00 | 693.50 | 443.05 |
| Net Transactions during the year | - | - | (18.50) | 250.45 |
| Conversion of Loan into Equity during the year | (675.00) | - | - | - |
| Closing Balance of Loan | - | 675.00 | 675.00 | 693.50 |
| Unsecured Loans - Mayuri Bhavesh Parsana | | | | |
| Opening Balance of Loan | 10.00 | 10.00 | 10.00 | 10.00 |
| Net Transactions during the year | - | - | - | - |
| Conversion of Loan into Equity during the year | (10.00) | - | - | - |
| Closing Balance of Loan | - | 10.00 | 10.00 | 10.00 |
| Directors Current Account | | | | |
| Bhavesh Thakarshibhai Parsana | | | | |
| Opening Balance | 3.46 | 86.45 | 4.51 | 0.45 |
| Net Transactions during the year | (23.07) | (82.99) | 81.94 | 4.06 |
| Closing Balance of Current Account | (19.61) | 3.46 | 86.45 | 4.51 |
| Mayuri Bhavesh Parsana | | | | |
| Opening Balance | - | 0.79 | 1.08 | - |
| Net Transactions during the year | (2.73) | (0.79) | (0.29) | 1.08 |
| Closing Balance of Current Account | (2.73) | - | 0.79 | 1.08 |
| Closing Balance of Related Parties | | | | |
| Unsecured Loan | | | | |
| - Bhavesh Thakarshibhai Parsana | - | 675.00 | 675.00 | 693.50 |
| - Mayuri Bhavesh Parsana | - | 10.00 | 10.00 | 10.00 |

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|----------------------------------|------------|------------|------------|------------|
| Directors Current Account | | | | |
| - Bhavesh Thakarshibhai Parsana | (19.61) | 3.46 | 86.45 | 4.51 |
| - Mayuri Bhavesh Parsana | (2.73) | - | 0.79 | 1.08 |
| | | | | |
| Royalty | | | | |
| - Bhavesh Thakarshibhai Parsana | - | - | - | 3.08 |

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “Financial Statements as Restated – Related Party Transactions” beginning on page no. 209 of this draft prospectus

(L) DETAILS OF FINANCING ARRANGEMENT:

There are no financing arrangements whereby the promoters, member of promoter group, the directors of the company which is a promoter of the issuer, the directors of our company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the Business of the financing entity during the period of six months immediately preceding the date of filing of this draft prospectus.

(M) WEIGHTED AVERAGE PRICE AT WHICH EQUITY SHARES WAS ACQUIRED BY OUR PROMOTERS IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT PROSPECTUS:

| Sl. No. | Name of the Promoter | No. of Shares Acquired during last one Year | Consideration | Weighted Average Price (In ₹ per Equity Share) |
|---------|-------------------------------|---|---------------|--|
| 1 | Bhavesh Thakarshibhai Parsana | 98,70,637 | 6,74,96,000 | 6.84 |
| 2 | Mayuri Bhavesh Parsana | 12,72,125 | 10,00,000 | 0.79 |

(The Equity Shares of the Company as mentioned above were acquired by way of conversion of loan into equity and bonus issue)

(N) AVERAGE COST OF ACQUISITION OF EQUITY SHARES FOR PROMOTERS:

| Sl. No. | Name of the Promoter | No. of Equity Shares Held | Avg. Cost of Acquisition (In ₹ per Equity Share) |
|---------|-------------------------------|---------------------------|--|
| 1 | Bhavesh Thakarshibhai Parsana | 98,78,637 | 6.84 |
| 2 | Mayuri Bhavesh Parsana | 12,74,120 | 0.80 |

The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer or bonus issue and shares received as gift etc. less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the draft prospectus.

(O) DETAILS OF PRE-IPO PLACEMENT:

Our Company has not proposed any Pre-IPO placement from the date of this draft prospectus till the listing of the Equity Shares.

(P) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT PROSPECTUS:

| Date of Allotment | Number of Equity Shares allotted | Issue Price (In ₹) | Consideration | Reason for Allotment | Name of the Allottee | Benefit accruing to the company |
|-------------------|----------------------------------|--------------------|-----------------|----------------------|----------------------|---------------------------------|
| 16-08-2024 | 8,562 | 8,000.00 | Other than Cash | Conversion of Loan | # | Reduction in Borrowings |
| 16-10-2024 | 1,11,37,200 | N/A | Nil | Bonus Issue | # | Capitalization of reserves |

For further details pertaining to Issue of Equity Shares for consideration other than cash, kindly refer to the chapter titled “**Capital Structure**” beginning on page no. 58 of this draft prospectus.

(Q) DETAILS OF SPLIT/CONSOLIDATION OF OUR EQUITY SHARES IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT PROSPECTUS:

Our Company has not undertaken any split or consolidation of Equity Shares in the last one year till the date of this draft prospectus.

(R) EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

The Company has not sought for any exemptions from complying with any provisions of securities laws.

SECTION III: RISK FACTORS

RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, **Our Business**, and **Management’s Discussion and Analysis of Financial Condition and Results of Operations** beginning on page no. 111 and 214 respectively, as well as the other financial and statistical information contained in this Draft Prospectus.

Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

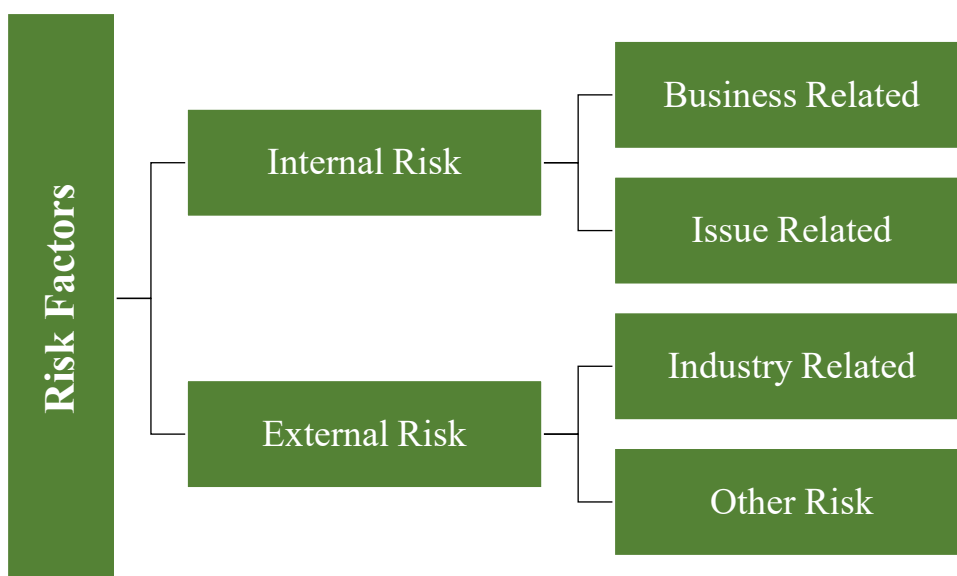
This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Prospectus.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

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

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

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



INTERNAL RISK FACTORS

A. Business Related Risks

- Our Company, Directors, Promoters and Group Companies are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

Our Company, Directors, Promoters and Group Companies are parties to certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and forums. Mentioned below are the details of the proceedings involving our Company, Directors, Promoters and Group Companies as on the date of this Draft Prospectus along with the amount involved, to the extent quantifiable.

| Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Other Pending Litigations/ Actions | Aggregate amount involved (₹ in lakhs) |
|-----------------------------|----------------------|-----------------|-------------------------------------|---|----------------------------|------------------------------------|--|
| Company | | | | | | | |
| By the Company | 3 | - | - | - | - | - | 10.69 |
| Against the Company | - | - | - | - | - | - | - |
| Promoters/Directors | | | | | | | |
| By the Promoters/Directors | - | - | - | - | - | - | - |
| Against Promoters/Directors | - | 8 | - | - | - | - | 193.12 |
| Group Companies | | | | | | | |
| By the Group Companies | - | - | - | - | - | - | - |
| Against the Group Companies | - | - | - | - | - | - | - |

Note: 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 chapter **“Outstanding Litigation and Material Development”** beginning from page no. 225 of this Draft Prospectus. Further, in addition to that, there could be other litigations & claims filed against the Company, Directors & Promoters which the Company may not be aware of as on the date of this Draft Prospectus.

There can be no assurance that these litigations will be decided in favour of our Company, Directors, Promoters and Group Companies, respectively, and consequently it may divert the attention of our management and Promoter 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. For the details of the cases please refer the chapter titled **“Outstanding Litigations and Material Developments”** on page 225 of this Draft Prospectus.

- Our ability to anticipate changes in consumer preference, and industry trends and to meet customers' demands is a significant factor to remain competitive, any failure to identify and understand the trends may materially adversely affect our business.***

Changes in consumer preferences, regulatory or industry requirements, or competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully introduce new and enhanced products on a timely basis is a significant factor to remain competitive. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and our results of operations may be adversely affected. We are also subject to the risks generally associated with new products and applications, including lack of market acceptance and failure of products to operate properly. Customer preferences in the markets we operate are difficult to predict and changes in those preferences or the introduction of new products by our competitors could put our products at a competitive disadvantage. To compete effectively in the industry, we must be able to produce new products to meet our customers' demands in a timely manner. Our failure to successfully produce new products could materially and adversely affect our results of operations.

3. *We may face several risks associated with the object of the issue of setting up of new manufacturing unit, which could hamper our growth prospects, cash flows and business and financial condition.*

We intend to utilize a portion of the Net Proceeds of this Issue towards setting up a new manufacturing unit at Plot No. Ex/1 & Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P & 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat through carrying out Civil Works and installation of plant & machinery. For further details, please refer to the chapter titled “*Object of the Issue*” at page 69 of this Draft Prospectus.

During the process of carrying out Proposed manufacturing unit, we may face several difficulties such as cost overruns or delays for various reasons, including, but not limited to, our financial condition, changes in business strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, changes in design and configuration, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, start-up costs, interest and finance charges, working capital margin, environment and ecology costs and other external factors which may not be within the control of our management, which may in turn delay the utilization of the Net Proceeds which in turn delay the commencement of commercial operation of our proposed manufacturing unit.

Any delay in carrying out the proposed manufacturing unit could lead to revenue loss for our Company. Further, our implementation plan may be subject to delays and other risks, which may be caused due to certain other unforeseen events, such as unforeseen engineering or technical problems, disputes with workers, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost and time over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. Further, the budgeted cost may prove insufficient to meet the requirements of the proposed capital expenditure due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available on terms favourable to us or at all. We cannot assure that we will be able to complete the aforementioned manufacturing unit in accordance with the proposed schedule of implementation and any delay in setting up such project in a timely manner, or at all, could have an adverse impact on our growth, prospects, cash flows and business and financial condition. Our financial condition, results of operations and liquidity would be materially and adversely affected if our project or construction costs materially exceed such budgeted amounts. For further details, please refer to chapters titled “*Objects of the Issue*” and “*Our Business*” on pages 69 and 111, respectively of this Draft Prospectus.

4. *We cannot assure you that the proposed expansion of our new manufacturing unit will become operational as scheduled, or at all, or operate as efficiently as planned. If we are unable to commission our new facility in a timely manner or without cost overruns, it may adversely affect our business, results of operations and financial condition.*

We intend to utilise ₹ 2,650.00 from the proceeds of this Issue for setting up of a new manufacturing unit at Plot No. Ex/1 & Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P & 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat with a total estimated cost of ₹ 2,907.79 lakhs. Our expansion plan may be subject to delays and other risks, among other things, unforeseen engineering or technical problems, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and government approvals and consents. Further, our Company has acquired land and completed land development works in relation to our aforementioned capital expenditure and will apply for all such necessary approvals that it may require at the relevant stages. We cannot assure you that the necessary approvals shall be granted to us or shall be granted to us within the prescribed time period or that there will not be any delay in obtaining such approvals. Additionally, we may face risks in commissioning the proposed facility including but not limited to, delays in the construction or for other unknown reasons, our proposed project does not function as efficiently as intended, or utilisation of the resources is not optimal, we may not be able to take additional orders to produce anticipated or desired revenue as planned any of which could result in delays, cost overruns or the termination of the plan for proposed manufacturing unit.

In the event of any delay in the schedule of implementation or if we are unable to complete the project as per the scheduled time, it could lead to revenue loss. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays could be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details, please refer to the chapter titled “*Objects of the Issue*” on page 69 of this Draft Prospectus.

5. ***The cost estimates for the proposed manufacturing unit at Plot No. Ex/1 & Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P & 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat have been derived from management estimates and quotations received from third parties and may not be accurate.***

The estimated cost of the proposed manufacturing unit at Plot No. Ex/1 & Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P & 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat will be approximately ₹ 2,907.79 lakhs. For ascertaining this cost reliance has been placed on the estimates and budgets decided based on management estimates and third-party quotations received from machinery manufactures, civil work contractors, and the same has not been appraised by any bank or financial institution. The actual costs of expansion of our facilities may exceed such budgeted amounts due to a variety of factors such as construction delays, interest rates, labour costs, foreign exchange rates, regulatory and environmental factors, weather conditions and our financing needs. Our financial condition, results of operations and liquidity would be materially and adversely affected if the cost estimates for the proposed expansion materially exceed the budgeted amounts. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected. For further details of the scheduled operational dates of our proposed unit, see ***“Objects of the Issue”*** on page 69 of this Draft Prospectus.

6. ***Our Company is yet to place orders for civil work and plant & machineries for the proposed manufacturing unit. Any delay in placing orders or completion of civil works or procurement of such machinery may delay the schedule of implementation and possibly increase the cost of commencing operations.***

Our Company has received third party quotations for the civil works to be constructed and quotations for machinery proposed to be installed at our proposed manufacturing unit. Although, we have identified the type of machinery proposed to be purchased from the Net Proceeds. As on date of Draft Prospectus, we have not placed orders for civil works and plant & machineries and orders for the same are yet to be placed. The cost of the proposed construction of civil works and purchase of machinery is based on the quotations received from third party vendors and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. For details, please refer to the chapter titled ***“Objects of the Issue”*** beginning on page 69 of this Draft Prospectus.

We cannot assure that we will be able to construct the civil works and procure the machinery in a timely manner and at the same price at which the quotations have been received. In the event of any delay in placing the orders, or an escalation in the cost or in the event the vendors are not able to provide the same in a timely manner, or at all, we may encounter time and cost overruns in setting up of the proposed manufacturing unit. Further, if we are unable to construct the civil works and procure machinery from the vendors from whom we have obtained quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the specifications which satisfy our requirements at acceptable prices. Our inability to construct the civil works and procure the machinery at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

7. ***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:

| | ₹ in lakhs | | | |
|--|------------|------------|------------|------------|
| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Net cash generated/(used) from operating activities | 83.98 | 184.37 | 106.29 | (477.78) |
| Net Cash generated/(used) from investing activities | (51.43) | (114.32) | (22.82) | (100.06) |
| Net Cash generated/(used) from financing activities | (35.41) | (65.30) | (82.44) | 580.23 |
| Net increase/(decrease) in cash and cash equivalents | (2.86) | 4.75 | 1.03 | 2.40 |

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see ***“Financial Statements as Restated”*** beginning on page 178 of this Draft Prospectus.

8. We have issued Equity Shares in the last 12 (twelve) months at a price which is lower than the Issue Price.

During the last 12 (twelve) months, we have issued Equity Shares at a price that is lower than the Issue Price, as set forth below.

| Date of Issue | No. of Equity Shares | Face Value (₹) | Issue Price (₹) | Nature of Allotment |
|---------------|----------------------|-------------------|--------------------|---------------------|
| 16-10-2024 | 1,11,37,200 | 10/- | Nil | Bonus Issue |

The price at which Equity Shares have been issued by our Company in the immediately preceding one year is not indicative of the Issue Price at which the Equity Shares shall be issued and traded (subsequent to listing). For further details regarding such allotments, see **“Capital Structure”** on page 58 of this Draft Prospectus.

9. The average cost of acquisition of Equity Shares by our Promoters is lower than the Issue Price.

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price of the shares proposed to be offered through this draft prospectus. For Details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer the table below:

| Name of the Promoter | No. of Equity Shares Held | Avg. Cost of Acquisition (In ₹ per Equity Share) |
|-------------------------------|---------------------------|---|
| Bhavesh Thakarshibhai Parsana | 98,78,637 | 6.84 |
| Mayuri Bhavesh Parsana | 12,74,120 | 0.80 |

10. We may face significant competition in our business. An inability to compete effectively may lead to a lower market share or reduced operating margins.

We operate in the highly competitive industry. There are no entry barriers in our industry which puts us to the threat of competition from new entrants. There are numerous players operating in the industry. We face tough competition in our business from a large number of unorganized and a few organized players. Our aim is to provide the standardized and uniform quality products at competitive prices to our consumers. We compete with our competitors on a regional or product line basis. Many of our competitors have substantially large capital base and resources than we do and offer broader range products. We believe that the principal factors affecting competition in our business include client relationships, reputation, the abilities of employees, market focus and the relative quality and price of the products. We believe that our ability to compete effectively is primarily dependent on ensuring consistent product quality and timely delivery at competitive prices, thereby strengthening our brand over the years. We believe that our cost effective and integrated offerings, our focus on customer satisfaction and our reliability combined with our quality consciousness provides competitive advantage in our business. We believe that our technical capabilities, experience in this business and quality assurance will be key to overcome competition posed by such organized and unorganized players. However, there can be no assurance that we will be able to compete successfully with the competitors and implement our future strategies in a way that will mitigate the effects of increased competition from our competitors.

11. Our Registered Office is not owned by us and we have only leave and license rights over them. In the event we lose such rights, our business, financial condition and results of operations, and cash flows could be adversely affected.

Our Registered Office used by our Company have been obtained on a leave and license basis from one of our Promoters of the Company. We cannot assure you that we will be able to renew our lease agreement or leave and license agreements or enter into new agreements in the future, on terms favourable to us, or at all. In the event that any lease agreement or leave and license agreement is not renewed, we will be required to expend time and financial resources to locate suitable land or building to set up our operations. Also, we may be unable to relocate to an appropriate location in a timely manner, or at all, and we cannot assure you that a relocated office will be as commercially viable. If a lease agreement or the leave and license agreement are terminated, prior to its tenure or if it is not renewed, or if we are required to cease business operations at a property, for any reason whatsoever, our business, financial condition, and results of operations may be adversely affected. Further, if the vacated property is leased or sold to a competitor, we may also face increased competition in that geographic area, which could adversely affect our market share. For further information on our properties, see **“Our Business – Property”** on page 111 of this Draft Prospectus.

12. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.*

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

13. *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 cause serious harm to our reputation and goodwill of our Company. 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.

14. *Labour-Intensive Operations and the Potential Risks of Workforce Disruptions.*

As a labour-intensive business, we depend heavily on our workforce to ensure smooth production and manufacturing processes. Any disruptions, such as strikes, lockouts, or industrial action, could have a considerable negative impact on our financial health, operational efficiency, and reputation. While we have not encountered such issues in the past, the risk remains significant. A strike or lockout could halt production, delay deliveries, disrupt supply chains, and hinder our ability to meet customer demands, leading to revenue losses and increased operational costs.

Prolonged workforce disruptions can also harm employee morale, lower productivity, and damage our reputation. Clients may perceive delays or quality issues as a result of labour disputes, which could erode the trust we've built with stakeholders. In a highly competitive market, maintaining strong client relationships and delivering on time is critical, and any labour unrest may weaken our standing in the industry.

To address this potential risk, we prioritize open communication with our employees and work to ensure a positive working environment. We focus on fair and transparent management to prevent disputes, while preparing contingency plans, such as maintaining reserves of key materials and products. Recognizing this risk is crucial to safeguarding our operations and ensuring the continued growth of our company.

15. *Our continued success is dependent on our senior management and skilled manpower. Our inability to attract and retain key personnel may have an adverse effect on our business prospects.*

Our experienced Directors have had a significant contribution to the growth of our business, and our future success is dependent on the continued service of our senior management team. An inability to retain any key management personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We continue to face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In particular, we may be unable to compete with other larger companies for suitably skilled personnel due to their ability to provide more competitive compensation and benefits. The loss of any of the members of our senior management team, our whole-time directors, or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, results of operations, financial condition, and growth prospects.

For every new product we expand into, we require suitably skilled personnel. Such skilled personnel may not be available in the market or we may not be able to compete with competitors for such qualified personnel because of more competitive salaries and benefits packages provided by them. If we cannot attract and retain qualified personnel or effectively implement appropriate succession plans, it could have a material adverse impact on our business, financial condition, and the results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

16. *Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.*

We carry our manufacturing operations from our manufacturing facility located at Gujarat. Due to the geographical concentration of our manufacturing operations in these locations, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations.

In addition, for the financial year ended March 31, 2024, we derived major portion of our domestic sales from the state of Maharashtra, Madhya Pradesh, Tamil Nadu, Gujarat, West Bengal, Uttar Pradesh, Andhra Pradesh, Karnataka, Rajasthan, Telangana (top 10 states) which contributes 75.99% of total domestic sales of our company. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations.

Further, as we enter into new markets and geographical areas, we are likely to compete with not only with national and international players, but also with the local players, who might have an established presence, and are more familiar with business practices and have stronger relationships with customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

17. *As we continue to grow, we may not be able to effectively manage our growth and the increased complexity of our business, which could negatively impact our brand and financial performance.*

Continued growth of our business and user base requires us to expand our product portfolio, strengthen our brand recognition, expand and enhance our sales channels, better manage our supply chain, upgrade our information systems and technologies, secure more space for our expanding workforce, and devote other resources to our business expansions, among others. As we continue to grow, managing our business will become more complicated as we develop a wider product mix, some of which we may have less experience in. In addition, as we increase our product offerings, we will need to work with a larger number of business partners and maintain and expand mutually beneficial relationships with our existing and new business partners. Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition.

We cannot assure you that we will be able to effectively manage our growth, that our current personnel, infrastructure, systems, procedures and controls or any measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected. As we continue to expand, we may experience similar difficulties if we are unable to manage our growth, which may adversely affect our reputation and results of operations.

18. *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.

19. *Any failure on our part to effectively manage our inventory may result in an adverse effect on our business, revenue from manufacturing operations and financial condition.*

We are a manufacturing company, and, at all points of time, a certain portion of our assets comprises of an inventory of raw materials, work in progress products and finished products. Maintaining sufficient inventory of raw materials is critical for our operations including as a buffer against any supply disruptions. Any failure on our part to effectively manage our inventory of raw materials and finished products in response to changing market scenario may have an adverse effect on our financial condition and may even lead to loss of business and increase the costs of our operations.

In the event we overestimate our requirements for raw materials as compared to the demand for our products, it may lead to situations that require us to block more capital and increase our operating costs in connection with inventories and further expose us to variations in raw materials risk. Equally, if we underestimate our requirements for raw materials, it may adversely affect our ability to manufacture the required quantity of products for our customers' requirements in a timely and cost-efficient manner which may lead to loss of business and / or the opportunity to service customers which could adversely affect our business, results of operations and financial condition. Further, we may also lose opportunities to acquire raw materials in a cost-effective manner, thereby increasing costs of operations and adversely affecting our working capital requirements.

Additionally, if our inventory of finished products is not dispatched on time or if there is any unanticipated delay in the delivery of our finished products or if the finished products are not properly maintained or are damaged or destroyed, we could lose such inventory which could have an adverse impact on our production cycle, results of operation and financial condition.

20. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.*

We may encounter problems in manufacturing our products, or manufacturing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customer's discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Further, we operate in highly competitive markets in relation to our products where it is difficult to predict whether and when we will receive such awards. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us and the commencement and progress of work under the orders placed. For further details of our business, please refer chapter titled "*Our Business*" beginning on Page 111 of this Draft Prospectus.

21. *Delays or defaults in customer payments could adversely affect our 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. Further, we may not receive advance payment from our customers after signing the purchase orders. Delays in customers' payments may require us to make a working capital investment. If a customer defaults in making payments where we have devoted significant resources or where we have invested significant resources is delayed, cancelled, or does not proceed to completion, it could have an adverse effect on our operating results. For the six months period ending September 30, 2024 and for the financial year ending March 31, 2024, March 31, 2023 and March 31, 2022, our trade receivables were ₹ 1,874.73 lakhs, ₹ 1,490.72 lakhs, ₹ 1,446.40 lakhs and ₹ 1,043.66 lakhs, respectively. However, in the past, our Company has not faced any such instance of default but there is no guarantee that 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.

22. *Our business is subject to seasonal and other fluctuations that may affect our cash flows and business operations.*

Our business and operations may be affected by seasonal factors which may restrict our ability to carry on activities related to our projects and fully utilize our resources. Heavy or sustained rainfalls or other extreme weather conditions such as cyclones could result in delays or disruptions to our operations during the critical periods of our projects and cause severe damages to our premises and equipment. This may result in delays in execution of projects and also reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our project related activities may be delayed or reduced. Adverse seasonal developments may also require the evacuation of personnel, suspension or curtailment of operations, resulting in damage to construction sites or delays in the delivery of materials.

23. *General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.*

Our business is highly dependent on economic and market conditions in India and overseas jurisdictions where we operate. General economic and political conditions in India and abroad, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

24. *Our business requires us to obtain and renew certain licenses and permits from government, regulatory authorities and other national/ international corporations and the failure to obtain or renew them in a timely manner may adversely affect our business operations.*

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits. In addition, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business. In particular, we are required to obtain certificate of registrations for carrying on certain of our business activities from the Government of India, the State Governments and other such regulatory authorities that are subject to numerous conditions. If we fail to maintain such registrations and licenses or comply with applicable conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations.

We and our customers, may require various regulatory approvals, sanctions, licenses, registrations and permissions in connection with our operations and the various development activities involved in such orders. We or our customers may face significant uncertainties due to various factors in obtaining or maintaining such approvals. If such approvals are not obtained in a timely manner or at all, there may be a material adverse effect on various development activities, including our operations, thereby adversely affecting our results of operations and financial condition. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to incur substantial expenditures. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected. While we typically apply for the renewal of any existing regulatory approvals prior to their expiry dates, there can be no assurance that we will receive such renewal in time or at all.

25. *Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.*

We maintain only one insurance policy i.e. New India Bharat Laghu Udyam Suraksha Policy. While it is believed that the insurance coverage maintained by the company would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by the company will be honoured fully, in part or on time, nor that we have taken out sufficient insurance to cover all material losses. If we were to suffer loss or damage resulting from not obtaining or maintaining insurance or exceeding our insurance coverage, the loss would have to be borne by us and it could have a material adverse effect on our results of operations and financial condition.

26. *Our Directors and certain Key Management Personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.*

Certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For details, see the section titled “*Capital Structure*” on Page 58 of this Draft Prospectus. There is no assurance that our Directors and/or our key management personnel will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future.

27. *An inability to manage our growth could disrupt our business and reduce our profitability.*

We have experienced continuous growth in the preceding years. We expect our business to grow as a result of our plans to expand further. We expect any growth in our business to place additional demands on us and require us to continuously evolve and improve our operational, financial, and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- (i) maintaining high levels of client satisfaction;
- (ii) recruiting, training, and retaining sufficient skilled management, technical and marketing personnel;
- (iii) adhering to health, safety and environment and quality and process execution standards that meet client expectations;
- (iv) preserving a uniform culture, values, and work environment in operations; and
- (v) developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Our ability to implement our business plans depend on, inter alia, global economic conditions, our capital resources, our R&D capabilities for new products and technology solutions, our ability to commercially realise the R&D results, our ability to obtain any necessary government or regulatory approval or licenses, and the availability of management, financial and other resources.

The success of our business will depend greatly on our ability to implement our business and strategies effectively. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our financial, operating, and other internal controls. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition, and profitability.

28. ***We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products/services, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, meet the customer standards which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or services or any other unforeseen events could affect our reputation and our results from operations.

29. ***Our management will have broad discretion in how we apply the Net Proceeds of the Issue and there is no assurance that the Objects of the Offer will be achieved within the time frame expected, or at all, or that the deployment of Net Proceeds in the manner intended by us will result in an increase in the value of your investment.***

We intend to use the Net Proceeds for the purposes described under the “***Objects of the Issue***” on page 69 of this Draft Prospectus. The Objects of the Issue comprise (a) Part Funding Capital Expenditure towards setting up new manufacturing facility, and (b) for general corporate purposes (the amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds). Further, our Objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time. Consequently, our funding requirements and deployment of funds may change, which may result in the rescheduling of the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular activity, subject to compliance with applicable law and the investment policies approved by our management. Further, pursuant to Section 27 of the Companies Act, 2013, any variation in the Objects of the Issue would require a special resolution of the shareholders, and the promoter or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue, in accordance with applicable law.

In case of an increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements. If actual utilization towards the Objects of the Issue is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing objects, if required. If the estimated utilization of the Net Proceeds is not completely met in a fiscal year, it shall be carried forward.

30. ***Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.***

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on product and services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant number of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

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

Upon completion of this Issue, our Promoter and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders’ approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by the applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

32. *The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.*

The company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial conditions may be adversely affected by, inter alia, a decrease in the growth and demand for the products and services offered by us or any strategic alliances which may subsequently become a liability or non-profitable. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled "**Financial Information as Restated**" beginning on Page 178 of this Draft Prospectus.

33. *Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes amounting to ₹ 66.08 lakhs which constitute 2.19% of the total Issue Proceeds.*

As on date we have not identified the use of such funds. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes amounting to ₹ 66.08 lakhs which constitute 2.19% of the total Issue Proceeds. As on the date of this Draft Prospectus, we have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act wherever applicable. For details, please refer the chapter titled "**Objects of the Issue**" beginning on Page No. 69 of this Draft Prospectus.

34. *Our operations are subject to high working capital requirements. If we are unable to generate sufficient cash flows to allow us to make required payments, there may be an adverse effect on our results of operations.*

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors and inventories. Our Trade Receivables for the six months period ended September 30, 2024 and for the financial period ended March 31, 2024, March 31, 2023, March 31, 2022 were ₹ 1,874.73 lakhs, ₹ 1,490.72 lakhs, ₹ 1,446.40 lakhs and ₹ 1,043.66 lakhs respectively and our inventories for the six months period ended September 30, 2024 and for the period ended March 31, 2024, March 31, 2023, March 31, 2022 were ₹ 674.42 lakhs, ₹ 644.64 lakhs, ₹ 350.53 lakhs and ₹ 101.09 lakhs respectively.

The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the terms and conditions with our customers, it may lead to write-offs bad debts and/ or delay in recoveries which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations. In the event we are not able to recover our dues from our trade receivables or sell our inventory, we may not be able to maintain our Sales level and thus adversely affecting our financial health.

For further details of working capital requirements, please refer to the chapter titled "**Objects of the Issue**" on page 69 of the Draft Prospectus.

35. *Some of the approvals are required to be updated consequent to the change in the name of our Company.*

Our company converted into a public limited company, resulting in a name change from "Satol Chemicals Private Limited" to "Satol Chemicals Limited". This alteration was formally recorded in a new Certificate of Incorporation dated July 01, 2024, with the Corporate Identification Number U24290MH2020PLC348489, issued by the Registrar of Companies, Central Processing Centre. Due to such change, our Company is required to change its name in all approvals, licenses, registrations and permits in the name of Satol Chemicals Limited. While we have updated our name in some of the registrations, permits or approvals, we are still required to update our name in some of the remaining registrations, permits or approvals.

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

Our Company has entered into related party transactions with our Promoters, Directors and Group Entities. While our Company believes that all such transactions have been conducted on the arm's length basis and are in compliance with the applicable provisions of Companies, 2013 and other applicable law, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to **"Related Party Transactions"** under section titled **"Financial Statements as Restated"** on page no. 178 of this Draft Prospectus.

37. *We have not entered into any long-term contracts with any of our clients.*

We do not have any long-term contracts with our clients and any change in the business pattern of our existing clients could adversely affect the business of our Company. As a result, our customers can terminate their relationships with us due to a change in preference or any other reason on immediate basis, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products and services. Our Company's customers have no obligation to work with us and may either cancel, reduce, or delay the business. The business by our Company's customers is dependent on factors such as the customer satisfaction with the level of service that our Company provides, fluctuation in demand for our Company's products, customer's inventory management, amongst others. Although we have satisfactory business relations with our clients and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability. Although, we have a strong emphasis on quality, timely delivery of our products and raw materials and personal interaction by the senior management with the customers and suppliers, any change in the buying pattern of buyers and preferences of suppliers can adversely affect the business and the profitability of our Company.

38. *In addition to our existing indebtedness for our operations, we may be required to obtain further loan during the course of business. There can be no assurance that we would be able to service our existing and/or additional indebtedness.*

In addition to our existing indebtedness for our existing operations we may be required to raise further debt in the form of term loans and working capital loans in the course of business. Increased borrowings, if any, would adversely affect our debt-equity ratio and our ability to further borrow at competitive rates. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties and acceleration of amounts due under such facilities which may adversely affect our business, financial condition and results of operations. For further details of our indebtedness, please refer to the chapter titled **"Financial Indebtedness"** on page 212 of this Draft Prospectus.

39. *Excessive dependence on HDFC Bank in respect of Loan facilities obtained by our Company.*

Our company has been sanctioned significant portion of credit facilities by HDFC Bank. The Company is dependent on such facility for its fund and non-fund based limits and other funding requirement and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also adversely affect the financial position of the Company.

40. *Our lenders have charge over our movable properties, book debts, stocks in respect of finance availed by us.*

We have secured our lenders by creating a charge over our movable properties, book debts, stocks in respect of loans / facilities availed by us from HDFC Bank. The total amounts outstanding and payable by us as secured loans were ₹ 326.48 Lakhs as on September 30, 2024. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our assets may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the **"Financial Indebtedness"** please refer to page 212 of this Draft Prospectus.

41. *Our debt financing agreements contain certain restrictive covenants that may adversely affect our Company's business, credit ratings, prospects, results of operations and financial condition.*


Certain debt financing agreements that our Company has entered into contain restrictive covenants that limit our ability to undertake certain types of transactions. Under our debt financing agreements our Company is required to maintain certain financial covenants. Even though in the past, our company has not faced any instances that adversely affected the Company's business, credit ratings, prospects, results of operations and financial condition, due to restrictive covenants of the debt financing agreements, there can be no assurance that our Company has complied with all such restrictive covenants in a timely manner or at all or that we will be able to observe compliance with all such restrictive covenants in the future. A failure to observe the restrictive covenants under our debt financing agreements may result in termination of our financing agreements, levy of default interest, acceleration of all amounts due under such facilities and the enforcement of any security provided in relation thereto. Any acceleration of amounts due under such debt financing agreements may trigger cross-default or cross-acceleration provisions under other debt financing agreements, which may compel us to dedicate a substantial portion of our cash flow from operations or sell certain assets to make such payments thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, in the event of any of the circumstances coming into effect our business, prospects, results of operations and financial condition may be adversely affected.

42. *We have not made any alternate arrangements for meeting our regular working capital requirements. If we are unable to manage/arrange funds (including at short notice) to meet our working capital requirements, there may be an adverse effect on our results of operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our working capital requirements, other than the existing sanctioned limits. Our business requires a significant amount of working capital to finance the purchase of raw materials before payments are received from customers. We cannot assure you that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements, which may delay the execution of projects leading to loss of reputation, levy of liquidated damages, and an adverse effect on the cash flows. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet the working capital requirements, there may be an adverse effect on our results of operations. We may also be subject to fluctuations of interest rates for our financing. If we are unable to secure financing at favourable rates for this purpose, our ability to secure larger-scale projects will be impeded and our growth and expansion plans will be materially and adversely affected which in turn will materially and adversely affect our future financial performance.

Our indebtedness is secured by charges over Immovable Property, Stocks, Book Debts etc. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financing on terms acceptable to us, we may be unable to implement our growth strategy, and our business, prospects, financial condition, and results of operations may be adversely affected.

43. *The intellectual Property Rights used by our company are registered in the name of our company, but any infringement of third-party intellectual property rights or failure to protect our intellectual property rights may adversely affect our business*

As on the date of this Draft Prospectus, our Company is using trademark i.e. , SATIC - 50, STENZA and which is registered under Trademarks Act, 1999. However, Infringement of third-party intellectual property rights or failure to protect our own intellectual property can have negative consequences. In addition, infringement claims can damage our reputation and discourage potential investors, partners, or customers. Additionally, if we fail to protect our own intellectual property, our competitors or other third parties may copy, steal, or misuse our ideas, products, or services. This can lead to lost revenues, decreased market share, or erosion of our competitive advantage. Moreover, any unauthorized use, reproduction, or distribution of our copyrighted material without our permission will result in legal action and may lead to financial penalties or damage to our brand reputation. It is essential for us to protect our copyrighted material and ensure that it is used only with our permission, to avoid any negative impact on our business operations. Defending our intellectual property rights can be expensive and time-consuming, and we may not be able to prevent others from infringing or challenging our rights.

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

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by working capital debt facilities and increases in interest rate (and consequent increase in the cost of servicing such debt) may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions from time to time, there can be no assurance that these agreements will protect us adequately against interest rate risks.

45. We are dependent on third party transportation providers for procuring raw material from our suppliers and delivery of products to our clients. Any failure on the part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.

We are dependent on third party transportation for raw material and Products Manufactured by us. As Manufacturing is our main activities, our success depends on the smooth supply and transportation of the Raw Material from our suppliers and transportation of our products to our buyers/clients, both of which are subject to various uncertainties and risks. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business.

In addition, materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of materials which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of materials to us as well as to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

46. There are certain instances of delays in the past with ROC/Statutory Authorities.

Our Company also in the past have made delay in filings of some RoC forms as per the stipulated timelines prescribed under the Companies Act, 2013. Our Company has paid requisite late fees for such filings, and no show cause notice in respect of the same has been received by our Company till date. The details of ROC Late Filings are as follows:

| Forms | Purpose | Date of Event | Date of Filing | Due Dates | Nos. of Days delayed |
|--------|--|---------------|----------------|------------|----------------------|
| MGT-7 | Form for filing of annual return with Registrar for the period from 01.04.2022 to 31.03.2023 | 28.09.2023 | 09.01.2024 | 27.11.2023 | 43 |
| ADT-1 | Form for intimating Registrar by Company for appointment of Auditor | 22.09.2021 | 09.10.2021 | 07.10.2021 | 2 |
| CHG-1 | Creation of charge | 28.04.2021 | 07.06.2021 | 27.05.2021 | 11 |
| INC-27 | Conversion of Private Company into Public Company | 06.04.2024 | 17.05.2024 | 21.04.2024 | 26 |
| MGT-14 | Filing of Agreement for obtaining unsecured loan from Directors | 28.10.2020 | 29.05.2024 | 27.11.2020 | 1279 |
| MSME-1 | Form for furnishing half yearly return with the Registrar in respect of outstanding payments to Micro or Small Enterprises | 30.09.2024 | 26.11.2024 | 30.10.2024 | 26 |

It is pertinent to note here that all the forms are approved by ROC. Further, if any such action is initiated by the regulatory authority, then the Company will have to abide by the order of such regulatory authority or pay any penalty that may be imposed by any regulatory authorities in future for non-compliance with provisions of corporate and other law which could impact the financial position of the Company to that extent. To streamline our compliance processes and prevent delays, our company has taken several corrective measures i.e. enhancement of internal monitoring systems, dedicated compliance personnel and engagement of compliance professionals.

47. ***Our Promoters have provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter.***

Our Promoters and Directors have provided personal guarantees to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Directors may be invoked, which could negatively impact the reputation of our Company. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoters and Directors may be required to liquidate their shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Also, if our Promoters and Directors revoke their personal guarantees and we may not be successful in procuring alternate guarantees and property satisfactory to the lenders, 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 details regarding loans availed by our Company, please refer **“Financial Indebtedness”** on page no. 212 of this Draft Prospectus.

48. ***Major fraud, lapses of internal control or system failures could adversely impact the company’s business.***

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company’s operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

49. ***There have been some instances of delayed filing of returns and depositing of statutory dues with regulatory authorities”***

In the past, our company has at several instances, delayed in filing GST returns, EPF returns and deposit of statutory dues, as a result of which, we have been required to pay the late filing fees along with interest on delayed deposit of due taxes and statutory dues. Although the late filing fees levied are not significant but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. In the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and our directors, in which event the financials of our Company and our directors may be affected. For further details of certain material legal proceedings involving our Company, our Promoters, our directors, see **“Outstanding Litigation and Material Developments”** beginning on page 225 of this Draft Prospectus.

50. ***Information in relation to our installed capacity and capacity utilization of our manufacturing facility included in this Draft Prospectus is based on various assumptions and estimates, and future production and capacity utilization may vary.***

Information relating to our installed capacities and the capacity utilization of our manufacturing facility included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, actual product mix vis-à-vis the products mix envisaged for computation of our installed capacity and assumptions relating to potential utilization levels and operational efficiencies. While we have obtained a certificate dated January 24, 2025 from M/s. K J Consultants, Independent Chartered Engineer, the actual capacities and utilization rates may differ significantly from the estimated installed capacities or estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our installed capacity or estimated capacity utilization information for our existing facility included in this Draft Prospectus.

51. ***Our KMPs are associated with our Company for less than one year.***

Our Chief Financial Officer and Company Secretary are associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter **“Our Management”** beginning on page 146 of this Draft Prospectus.

52. *Any reduction in the demand for our products could lead to underutilisation of our manufacturing capacity.*

We face the risk that our customers might not place any order or might even cancel existing orders. Cancellations, of orders by our customers could adversely affect our results of operations by reducing our sales volume leading to a reduced utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand of our products could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make customizations. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

53. *An inability to renew quality accreditations in a timely manner or at all, or any deficiencies in the quality of our products may adversely affect our business prospects and financial performance.*

We obtain and maintain quality certifications and accreditations from independent certification entities and also comply with prescribed specifications and standards of quality approved by the Government in connection with the products we manufacture. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, in a timely manner or at all, our business prospects and financial performance will be materially and adversely affected.

54. *Industry information included in this draft 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 industry reports derived from online publicly available sources and other sources for purposes of inclusion of such information in this draft 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 draft prospectus.

55. *Certain relevant copies of educational qualification and experience certificates of our Promoters/Directors/KMP/SMP are not traceable.*

Some of our Directors/Promoter/KMP/SMP have been unable to trace copies of documents pertaining to their educational qualifications and prior professional experiences. Accordingly, reliance has been placed on signed resume and affidavits furnished by these Directors/Promoter/KMP/SMP to the Lead Manager to disclose details of their educational qualifications and professional experience in this Draft Prospectus. Accordingly, the Lead Manager has been unable to independently verify these details prior to inclusion in this Draft Prospectus. Further, there can be no assurances that our Directors/Promoter/KMP/SMP will be able to trace the relevant documents or provide accurate and complete details pertaining to the above information in the future, or at all.

- 56. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.***

Since the Issue size is less than Rs. 10,000.00 Lakh there is no mandatory requirement of appointing an independent monitoring agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

B. Issue Related Risks

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

The funds that we receive would be utilized for the Objects of the Issue as has been stated in the Chapter “*Objects of the Issue*” on page 69 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, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

- 58. *The Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.***

The Issue price is based on numerous factors and may not be indicative of the market price for our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that you will be able to resell your Shares at or above the Issue Price. Among the factors that could affect our Share price are: variations in the rate of growth of our financial indicators, such as earnings per share, net profit and income; changes in income or earnings estimates or publication of research reports by analysts; speculation in the press or investment community; general market conditions; and domestic and international economic, legal and regulatory factors unrelated to our performance.

- 59. *After this Issue, the price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not be sustained.***

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The initial public offering price of the Equity Shares offered hereby was determined through our negotiations with the LM and may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to, among other factors:

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers, or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India’s economic liberalization and deregulation policies, and the fiscal regime;
- volatility in the Indian and global securities markets;
- performance of our competitors and perception in the Indian market about investment in our industry; and
- adverse media reports, if any, on our Company, or the industry.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

60. *There is no guarantee that our Equity Shares will be listed on the SME Platform of BSE Limited in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the SME Platform of BSE Limited within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

We have applied to BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE Limited. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Offer will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a delay in listing the Equity Shares on the SME Platform of BSE Limited. Any delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Once listed, we would be subject to circuit breakers imposed by stock exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

Under the current Indian Income Tax provisions, all transactions of purchase and sales of securities on Indian stock exchanges are subject to levy of securities transaction tax (STT) which will be collected by respective stock exchange on which the securities are transacted. Accordingly, the Indian Income Tax Act has special capital gains tax provisions for all transactions of purchase and sale of equity shares carried out on the Indian Stock Exchanges. Under the current Indian Income Tax provisions, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

64. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

65. ***Any future issuance of Equity Shares may dilute the investors' shareholdings or sales of our Equity Shares by our Promoters or Promoter Group may adversely affect the trading price of our Equity Shares.***

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

66. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have never declared or paid any cash dividends in the past three years. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and in accordance with the dividend distribution policy adopted by our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Please refer to the chapter titled "***Dividend Policy***" beginning on page 192 of this Draft Prospectus.

67. ***Certain key performance indicators for certain listed industry peers included in this Draft Prospectus have been sourced from public sources and there is no assurance that such financial and other industry information is complete.***

We have included certain key performance indicators, comprising financial and operational information, for certain listed industry peers, in the "***Basis for Issue Price***" beginning on page 79 of the Draft Prospectus. While our business comprises of the healthcare industry, these listed industry peers are related to associate industry. Although this information is sourced from and relied upon on the standalone/consolidated audited financial statements of the relevant listed industry peers for Fiscals 2024 as available on the websites of the Stock Exchanges, including the annual reports of the respective companies for the years ended March 31, 2024 submitted to Stock Exchanges, there is no assurance that this information with respect to industry peers is either complete. There are different methodologies and formulas used to compute the various ratios.

68. ***The investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.***

Under the Companies Act, 2013, a Company incorporated in India must offer its holders of shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution. However, if the law of the jurisdiction the investors are in does not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in the jurisdiction they are in, they will not be able to exercise their pre-emptive rights unless we make such a filing. If we elect not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for the investors' benefit. The value such custodian would receive upon the sale of such securities if any, and the related transaction costs cannot be predicted. To the extent that the investors' are unable to exercise pre-emptive rights granted in respect of the Equity Shares, their proportional interest in us would be reduced.

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

The Companies Act and related regulations, the Articles of Association, and the Listing Agreements to be entered into with the Stock Exchange govern the corporate affairs of the Company. The Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder than as a shareholder of a corporation in another jurisdiction.

70. ***Our Equity Shares are quoted in Indian Rupees in India, and therefore investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since the Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. The volatility of the Indian Rupee against the U.S. dollar and other currencies subjects investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

EXTERNAL RISK FACTORS

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

In late 2019, COVID-19 emerged and by March 11, 2020 was declared a global pandemic by The World Health Organization. Governments and municipalities around the world instituted measures in an effort to control the spread of COVID-19, including quarantines, shelter-in-place orders, school closings, travel restrictions, lock down of cities and closure of non-essential businesses. By the end of March, the macroeconomic impacts became significant, exhibited by, among other things, a rise in unemployment and market volatility. The outbreak of COVID-19 in many countries, including India, the United Kingdom and the United States, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally. On March 24, 2020, the Government of India ordered a national lockdown in response to the spread of COVID-19. Although some governments are beginning to ease or lift these restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown and no prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced.

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our clients and service providers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our clients, and those of our respective service providers. There is currently substantial medical uncertainty regarding COVID-19. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown and it is possible that it could cause a global recession. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may SME concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. The degree to which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, environmental harm, loss of life, injuries and impact the wellbeing of our people.

Further in case the lockdown is extended, it could result in muted economic growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect the business, prospects, results of operations and financial condition of our Company. The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure; disruptions or restrictions on our employees' and suppliers' ability to work and travel; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "**Key Industry Regulations and Policies**" on page 138 of this Draft Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company will comply with relevant regulations as and when applicable. However, any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increase tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules ("GAAR") provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

73. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation is typically impacted by factors such as governmental policies, regulations, commodity prices, liquidity and global economic environment. Any change in the government or a change in the economic and deregulation policies could adversely affect the inflation rates. Continued high rates of inflation may increase our costs such as salaries, travel costs and related allowances, which are typically linked to general price levels. There can be no assurance that we will be able to pass on any additional costs to our clients or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the country 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 of materials, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, financial condition and cash flows. 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 margin.

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

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

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

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

77. *We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.*

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.

78. *Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.*

Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Elimination or substantial change of policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic policies could disrupt business and economic conditions in India generally and the Company's business in particular.

79. *Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.*

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is referred to as “systemic risk,” may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Our transactions with these financial institutions expose us to credit risk in the event of default by the counter party, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, we face risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect our business, financial condition, results of operations and cash flows.

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

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

SECTION IV: INTRODUCTION

THE ISSUE

The present Issue of up to **42,00,000** Equity Shares in terms of draft prospectus has been authorized pursuant to a resolution of our Board of Directors held on September 27, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013, at the Annual General Meeting of the members held on September 30, 2024.

The following is the summary of the Issue:

| PARTICULARS | DETAILS |
|---|---|
| Present Issue ⁽¹⁾ | Up to 42,00,000 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹72/- per Equity Share aggregating to ₹ 3,024.00 Lakhs. |
| Out of which: | |
| Market Maker Reservation Portion | Up to 2,11,200 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹72/- per Equity Share aggregating to ₹ 152.06 Lakhs only. |
| Net Issue to the Public ⁽²⁾ | Up to 39,88,800 Equity Shares of face value ₹10/- each for cash at an Issue price of ₹72/- per Equity Share (the "Issue Price"), aggregating up to ₹ 2,871.94 Lakhs Only. |
| Out of which: | |
| Allocation to Retail Individual Investors for up to Rs. 2.00 lakh | 19,95,200 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹72/- per Equity Share aggregating to ₹ 1,436.54 Lakhs. |
| Allocation to other investors for above Rs. 2.00 lakh | 19,93,600 Equity Shares of ₹10/- each fully paid-up of our Company for cash at a price of ₹72/- per Equity Share aggregating to ₹ 1,435.39 Lakhs. |
| Pre- and Post-Issue Equity Shares | |
| Equity Shares outstanding prior to the Issue | 1,11,55,762 Equity Shares having face value of ₹10/- each |
| Equity Shares outstanding after the Issue* | 1,53,55,762 Equity Shares having face value of ₹10/- each |
| Objects of the Issue | Please refer to the section titled " Objects of the issue " beginning on page no. 69 of this draft prospectus. |
| Issue Opens on | [●] |
| Issue Closes on | [●] |

*Assuming Full Allotment

⁽¹⁾ The present Issue is being made by our Company in terms of Regulation 229(2) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post-Issue paid-up equity share capital of our Company are being offered to the public for subscription

⁽²⁾ This Issue is being made in terms of Section LX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, 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 in 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, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.

For further details, kindly refer the chapter titled "**Terms of the Issue**" beginning on page 247 of this draft prospectus.

SUMMARY OF FINANCIAL INFORMATION

STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED

| Particulars | As on (Rs. In Lakhs) | | | |
|---|----------------------|-----------------|-----------------|-----------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| I. EQUITY & LIABILITIES | | | | |
| (1) Shareholders Fund | | | | |
| a) Share capital | 1.86 | 1.00 | 1.00 | 1.00 |
| b) Reserves and surplus | 1,790.98 | 795.76 | 243.80 | 48.98 |
| c) Money received against share warrants | - | - | - | - |
| Total Shareholder's Fund | 1,792.84 | 796.76 | 244.80 | 49.98 |
| (2) Share application money pending allotment | - | - | - | - |
| (3) Non-Current Liabilities | | | | |
| a) Long-Term Borrowings | 27.29 | 716.04 | 727.96 | 764.00 |
| b) Deferred Tax Liability (Net) | 21.39 | 19.24 | 13.42 | 7.91 |
| c) Other Long Term Liabilities | - | - | - | - |
| d) Long Term provisions | - | - | - | - |
| Total Non Current Liabilities | 48.68 | 735.28 | 741.38 | 771.91 |
| (4) Current Liabilities | | | | |
| a) Short Term Borrowings | 287.06 | 296.55 | 310.60 | 325.00 |
| b) Current Maturity of Long Term Borrowings | 12.13 | 18.26 | 24.59 | 24.59 |
| b) Trade Payables | 865.55 | 671.48 | 494.31 | 351.05 |
| - total outstanding dues of MSME; and | | | | |
| - total outstanding dues of creditors other than MSME | | | | |
| c) Other Current Liabilities | 187.17 | 239.10 | 554.44 | 214.17 |
| d) Short Term Provisions | 181.74 | 119.48 | 44.38 | 2.84 |
| Total Current Liabilities | 1,533.65 | 1,344.87 | 1,428.32 | 917.65 |
| Total Equity & Liability | 3,375.16 | 2,876.91 | 2,414.50 | 1,739.54 |
| II. ASSETS | | | | |
| (1) Non-Current Assets | | | | |
| a) Fixed Assets | | | | |
| (i) Property, Plant and Equipments | 541.61 | 523.08 | 549.57 | 552.23 |
| (ii) Intangible Assets | 1.00 | - | - | - |
| (iii) Capital Work-In-Progress | 119.66 | 107.65 | - | 4.96 |
| (iv) Intangible assets under development | | | | |
| Total Fixed Assets | 662.27 | 630.73 | 549.57 | 557.19 |
| b) Non - current Investments | - | - | - | - |
| c) Deferred Tax Assets (Net) | - | - | - | - |
| d) Long Term Loans and Advances | - | - | - | - |
| e) Other Non- current Assets | 16.33 | 13.01 | 9.83 | 5.78 |
| Total Non Current Assets | 16.33 | 13.01 | 9.83 | 5.78 |
| (2) Current assets | | | | |
| a) Current investments | | | | |
| b) Inventories | 674.42 | 644.64 | 350.53 | 101.09 |
| c) Trade Receivables | 1,874.73 | 1,490.72 | 1,446.40 | 1,043.66 |
| d) Cash and Cash Equivalents balances | 10.01 | 12.87 | 8.12 | 7.09 |
| e) Short Term Loans and advances | 115.00 | 84.89 | 50.04 | 24.72 |
| f) Other Current Assets | 22.38 | 0.04 | - | - |
| Total Current Assets | 2,696.54 | 2,233.16 | 1,855.09 | 1,176.56 |
| Total Assets | 3,375.16 | 2,876.91 | 2,414.50 | 1,739.54 |

For further details, kindly refer the chapter titled “Financial statement as Restated” beginning on page 178 of this Draft prospectus.

STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED

| Particulars | For the Period/Year ended on (Rs. In lakhs) | | | |
|---|---|-----------------|-----------------|-----------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Income | | | | |
| Revenue from Operations | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |
| Other Income | - | 1.15 | 1.42 | 0.65 |
| Total Income | 2,962.39 | 4,742.42 | 4,227.76 | 1,710.39 |
| | | | | |
| Expenditure | | | | |
| Cost of Material Consumed | 1,819.18 | 2,537.03 | 2,823.42 | 1,408.60 |
| Purchase of Stock-in-Trade | - | - | - | - |
| Change in Inventories | (81.57) | (124.46) | (98.87) | (44.10) |
| Employee Benefit Expenses | 266.34 | 531.73 | 334.51 | 83.13 |
| Other Expenses | 548.93 | 1,055.48 | 866.92 | 161.58 |
| Total Expenses | 2,552.88 | 3,999.78 | 3,925.98 | 1,609.21 |
| | | | | |
| Profit Before Interest, Depreciation and Tax | 409.51 | 742.64 | 301.78 | 101.18 |
| Depreciation & Amortisation Expenses | 16.52 | 30.59 | 26.79 | 14.23 |
| | | | | |
| Profit Before Interest and Tax | 392.99 | 712.05 | 274.99 | 86.95 |
| Financial Charges | 17.42 | 34.83 | 33.12 | 10.39 |
| | | | | |
| Profit before Taxation | 375.57 | 677.22 | 241.87 | 76.56 |
| Provision for Taxation | 62.30 | 119.44 | 41.54 | 2.84 |
| Provision for Deferred Tax | 2.15 | 5.82 | 5.51 | 7.91 |
| Total | 64.45 | 125.27 | 47.05 | 10.74 |
| Profit After Tax but Before Extra ordinary Items | 311.12 | 551.95 | 194.82 | 65.82 |
| Extraordinary Items | - | - | - | - |
| Profit Attributable to Minority Shareholders | - | - | - | - |
| Net Profit after adjustments | 311.12 | 551.95 | 194.82 | 65.82 |
| Net Profit Transferred to Balance Sheet | 311.12 | 551.95 | 194.82 | 65.82 |

For further details, kindly refer the chapter titled “Financial statement as Restated” beginning on page 178 of this Draft prospectus.

STATEMENT OF STANDALONE CASH FLOW, AS RESTATED

| PARTICULARS | For the Period/Year ended on (Rs. In lakhs) | | | |
|---|---|-----------------|----------------|-----------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit Before Tax as per Profit & Loss A/c | 375.57 | 677.22 | 241.87 | 76.56 |
| Adjusted for : | | | | |
| a. Depreciation | 16.52 | 30.59 | 26.73 | 14.17 |
| b. Interest Expenses & Finance Cost | 16.04 | 33.00 | 32.00 | 6.33 |
| c. Other Adjustments | (2.15) | (5.82) | (5.51) | (7.91) |
| d. Interest & Other Income | - | (0.61) | (0.34) | (0.25) |
| | | | | |
| Operating profit before working capital changes | 405.98 | 734.38 | 294.75 | 88.91 |
| Adjusted for : | | | | |
| a. Decrease / (Increase) in Inventories | (29.78) | (294.11) | (249.44) | (68.49) |
| b. Decrease / (Increase) in trade receivable | (384.01) | (44.32) | (402.74) | (1,043.66) |
| b. Decrease / (Increase) in Current Investments | - | - | - | - |
| c. (Increase) / Decrease in short term loans and advances | (30.11) | (34.85) | (25.32) | 24.94 |
| d. Increase / (Decrease) in Trade Payables | 194.07 | 177.17 | 143.26 | 322.41 |
| e. Increase / (Decrease) in short term provisions | 62.25 | 75.10 | 41.54 | 2.84 |
| f. Increase / (Decrease) in other current liabilities | (49.78) | (309.52) | 345.78 | 198.12 |
| g. (Increase) / Decrease in Other Current Assets | (22.34) | (0.04) | - | - |
| | | | | |
| Cash generated from operations | | | | |
| Net Income Tax (Paid)/Refund | (62.30) | (119.44) | (41.54) | (2.84) |
| Net Cash Generated/(Used) From Operating Activities (A) | 83.98 | 184.37 | 106.29 | (477.78) |
| | | | | |
| B. CASH FLOW FROM INVESTING ACTIVITES | | | | |
| a. (Purchase) Sale of Fixed Assets | (48.07) | (111.63) | (19.11) | (94.76) |
| b.(Purchase) / Sale of non-current investment | | - | - | - |
| c. (Increase) / Decrease in Long term loans and advances | | - | - | - |
| d. Increase / (Decrease) in Long Term Provisions | | - | - | - |
| e. (Increase) / Decrease in Other Non Current Assets | (3.32) | (3.30) | (4.05) | (5.54) |
| f. (Increase) in Misc. Expenses | (0.04) | - | - | - |
| g. Interest & Other Income | - | 0.61 | 0.34 | 0.25 |
| Net Cash Generated/(Used) From Investing Activities (B) | (51.43) | (114.32) | (22.82) | (100.06) |
| | | | | |
| C. CASH FLOW FROM FINANCING ACTIVITES | | | | |
| a. Interest & Finance Cost | (16.04) | (33.00) | (32.00) | (6.33) |
| b. Proceeds from share issued including Premium | - | - | - | - |
| c. (Repayments) / proceeds of long term borrowings | (9.88) | (18.25) | (36.04) | 236.97 |
| d. (Repayments) / proceeds of short term borrowings | (9.49) | (14.05) | (14.40) | 349.59 |
| Net Cash Generated/(Used) From Financing Activities (C) | (35.41) | (65.30) | (82.44) | 580.23 |
| | | | | |
| Net Increase / (Decrease) in cash and cash equivalents | (2.86) | 4.75 | 1.03 | 2.40 |
| Cash and cash equivalents at the beginning of the year | 12.87 | 8.12 | 7.09 | 4.69 |
| Cash and cash equivalents at the end of the year | 10.01 | 12.87 | 8.12 | 7.09 |

For further details, kindly refer the chapter titled “Financial statement as Restated” beginning on page 178 of this Draft prospectus.

SECTION V: GENERAL INFORMATION

GENERAL INFORMATION

Our Company was originally incorporated as a Private Limited Company in the name of “*Satol Chemicals Private Limited*” on October 23, 2020 under the provisions of Companies Act, 2013 bearing Corporate Identification Number U24290MH2020PTC348489 issued by Registrar of Companies, Central Registration Centre. Subsequently, our company was converted into Public Limited Company and the name of our Company was changed to “*Satol Chemicals Limited*”. This alteration was formally recorded in a new Certificate of Incorporation dated July 01, 2024, with the Corporate Identification Number U24290MH2020PLC348489, issued by the Registrar of Companies, Central Processing Centre. For further details of change in name and registered office of our company, please refer to section titled “*Our History and Certain Corporate Matters*” beginning on page no 151 of the Draft Prospectus.

Brief Company and Issue Information

| | |
|--|--|
| Registered Office and Corporate Office | Satol Chemicals Limited 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India Contact Person: Mr. Bhavesh Thakarshibhai Parsana Contact No: +91 22 2891 3865 / +91-9321496201 Email ID: bhavesh@satol.net / info@satol.net Website: https://www.satol.net |
| Factory Address | Satol Chemicals Limited Plot No. 4923, Near Technotrap, Plastic Zone, Manda Village, GIDC Sarigam, District- Valsad- 396155, Gujarat, India Contact Person: Mr. Pravin Mali Contact No: +91 9321780058 Email ID: plant@satol.net / info@satol.net Website: https://www.satol.net |
| Date of Incorporation | October 23, 2020 |
| Corporate Identification Number | U24290MH2020PLC348489 |
| Company Category | Company Limited by Shares |
| Company Subcategory | Indian Non-Government Company |
| Address of Registrar of Companies | Registrar of Companies - Mumbai 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India |
| Designated Stock Exchange [^] | BSE Limited, SME Platform of BSE Limited (“ BSE SME ”) P.J. Towers, Dalal Street, Mumbai – 400 001 |
| Company Secretary and Compliance Officer | Nitin Vinayak Kore Satol Chemicals Limited 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India. Contact No: +91 7045991153 Email ID: cs@satol.net Website: https://www.satol.net |
| Chief Financial Officer | Ms. Shilpa Kamlakar Tondwalkar Satol Chemicals Limited 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India. Contact No: +91 9920161602 Email ID: cfo@satol.net Website: https://www.satol.net |

| | |
|---|--|
| Peer Review / Statutory Auditor of the company | M/s. Vijay Darji and Associates, Chartered Accountants C-82, Sita Sadan, Sai Baba Nagar, Off Dev Nagar, Kandivali (West), Mumbai – 400067 Contact Person: CA Vijay Chandulal Darji Email ID: cavijaydarji1@gmail.com Contact No.: +91 9819660401 Designation: Proprietor Membership No.: 105197 Firm Registration No: 118614W Peer Review Certificate No: 017933, Valid up to July 31, 2027 |
|---|--|

^ In compliance with Regulation 230(1)(a) of SEBI (ICDR) Regulation, 2018, we have made an application to SME Platform of BSE Limited only for listing of our equity shares.

Board of Directors of Our Company

Our Company's Board comprises of the following Directors:

| Sl. No. | Name of the Director | DIN | Current Designation | Age | Address |
|---------|-------------------------------|----------|------------------------|-----|--|
| 1 | Bhavesh Thakarshibhai Parsana | 08515430 | Managing Director | 47 | A/1303, 13th Floor, Aditya Tower, Chandavarkar Lane, Opposite Municipal Garden Borivali, West Mumbai - 400103, Maharashtra, India |
| 2 | Mayuri Bhavesh Parsana | 01302733 | Executive Director | 48 | A/1303, 13th Floor, Aditya Tower, Chandavarkar Lane, Opposite Municipal Garden Borivali, West Mumbai - 400103, Maharashtra, India |
| 3 | Dnyanesh Vishnu Darshane | 08515431 | Non-Executive Director | 61 | 502, Vishwas Chs Phiroj Shaha Mehta Road, Mumbai, Vileparle (East), Mumbai Suburban – 400057, Maharashtra, India 200 Windsor Gate CV NE, Atlanta – 30342, GA, USA |
| 4 | Ravikumar Shriram Malkhede | 08447589 | Non-Executive Director | 44 | B-1004 Vedanta Co-operative Housing Society, Near Wakad Post Office, Pune City, P.O- Wakad, Pune- 411057, Maharashtra, India |
| 5 | Darshil Hemendrakumar Shah | 09013533 | Independent Director | 35 | 204, Skywalk, Opposite Sahjanandharmony Flat, Chenpur, Daskroi, Ahmedabad, Gujarat- 382481, India |
| 6 | Shivani Kapoor | 10533998 | Independent Director | 51 | 202, Elegant Belvedere, 210, 5th cross, 3rd main, Defence Colony, Indir Nagar, Bengaluru- 560038, Karnataka, India |

For further details of the Board of Directors, please refer to the Section titled **“Our Management”** beginning on page no 154 of this draft prospectus.

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

| LEAD MANAGER | REGISTRAR TO THE ISSUE |
|--|--|
| FINSHORE MANAGEMENT SERVICES LIMITED Address: ‘Anandlok’, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal, India Telephone: 033 – 2289 5101 / 4603 2561 Email: info@finshoregroup.com Website: www.finshoregroup.com Investor Grievance Email: investors@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN: U74900WB2011PLC169377 | KFIN TECHNOLOGIES LIMITED Address: Selenium, Tower-B, Plot 31&32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Telengana-500032, Hyderabad, India Telephone: +91 40 6716 2222/ 1800 309 4001 Email: satol.ipo@kfintech.com Website: www.kfintech.com Investor Grievance Email: einward.ris@kfintech.com Contact Person: Mr. M Murali Krishna SEBI Registration Number: INR000000221 CIN: L72400TG2017PLC117649 |

| BANKER TO THE ISSUE AND SPONSOR BANK | LEGAL ADVISOR TO THE ISSUE |
|--------------------------------------|---|
| [•] | <p>J. MUKHERJEE & ASSOCIATES Address: Room 6, 2nd Floor, Saraf House, 4/1, Red Cross Place, Kolkata-700001, West Bengal, India Telephone: +91 9830640366 Email ID: jmukherjeeandassociates@gmail.com Contact Person: Mr. Jayabrata Mukherjee Bar Council No.: F/445/246/2013</p> |

Note: 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, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. For all Issue related queries and for redressal of complaints, Applicants may also write to the Lead Manager. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Lead Manager, who shall respond to the same.

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

Statement of Inter Se Allocation of Responsibilities

Finshore Management Services 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.

Self-Certified Syndicate Banks ("SCSBs")

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Issuer Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Issuer Bank for UPI mechanism are provided on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at BSE Limited at www.bseindia.com as updated from time to time.

Brokers to This Issue

All brokers registered with SEBI and members of the Recognised Stock Exchange can act as brokers to the Offer.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Credit Rating

This being an Issue of Equity Shares, credit rating is not required.

Trustees

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

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

IPO Grading

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

Monitoring Agency

As per regulation 262(1) of the SEBI ICDR Regulations 2018, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs.10,000 Lakhs. Since the Issue size is only of ₹ 3,024.00 Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

Appraising Entity

No appraising entity has been appointed in respect of any objects of this Issue.

Filing of Draft Prospectus/Prospectus with the SEBI/ROC

In terms of Regulation 246(1) of the SEBI (ICDR) Regulations, 2018, a copy of the Prospectus shall be filed with the Board (SEBI) through the Lead Manager, immediately upon filing of the offer document with the Registrar of Companies. However, as per Regulation 246(2) of the SEBI (ICDR) Regulations, 2018, the Board (SEBI) shall not issue any observation on the offer document.

In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, 2018, a copy of the Prospectus shall also be furnished to the Board in a soft copy.

A copy of the Prospectus shall be filed electronically with the SEBI through the SEBI intermediary portal at <https://sipportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, a copy of the Prospectus will be mailed at the e-mail address: cfd dil@sebi.gov.in

A copy of the Prospectus, along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 would be delivered for filing to the **Registrar of Companies – Mumbai**.

Issue Programme

| | |
|--|-----|
| Issue Opening Date | [●] |
| Issue Closing Date | [●] |
| Finalisation of Basis of Allotment with BSE SME | [●] |
| Initiation of Allotment / Refunds/ unblocking of ASBA Accounts | [●] |
| Credit of Equity Shares to demat accounts of the Allottees | [●] |
| Commencement of trading of the Equity Shares on BSE SME | [●] |

Expert Opinion

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

Change in Auditors during the last three (3) years

| Name of the Auditor | D K Gala Associates, Chartered Accountants | Vijay Darji & Associates, Chartered Accountants |
|---------------------|---|---|
| FRN/Mem. No | 114290W | 118614W |
| Peer Review No. | - | 017933 |
| Date of Appointment | 22-09-2021 | 10-07-2024 |
| Date of Resignation | 02-07-2024 | - |
| Period From | 01-04-2021 | 01-04-2023 |
| Period To | 31-03-2026 | 31-03-2029 |
| Email ID | dkgmail@icai.org | cavijaydarji1@gmail.com |
| Address | C-203, Shardadham, Akurli Cross Road No.1, Kandivali East, Mumbai- 400101, Maharashtra, India | C-82, Sita Sadan, Sai Baba Nagar, Off Dev Nagar, Kandivali (West), Mumbai – 400067, Maharashtra, India |
| Reason for Change | Pre -occupation and does not hold a valid Peer Review Certificate | Auditor appointed in case of Casual Vacancy and holds a valid Peer Review Certificate, appointed on 10.07.2024 and thereafter regularised on AGM held on 30.09.2024 for the period of 5 years till 31.03.2029 |

Underwriter

In terms of Regulation 260 (1) of the SEBI (ICDR) Regulations, 2018, the initial public offer shall be underwritten for hundred per cent (100%) of the offer and shall not be restricted up to the minimum subscription level and as per sub regulation (2) The lead manager(s) shall underwrite at least fifteen per cent 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. 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, and Email of the Underwriter | Indicated number of Equity Shares to be Underwritten | Amount Underwritten | % of the total Issue Size Underwritten |
|--|--|----------------------------|--|
| Finshore Management Services Limited Anandlok, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C. Bose Road, Kolkata-700020, West Bengal, India Tel No: 033 – 2289 5101 / 4603 2561 Website: www.finshoregroup.com Email: info@finshoregroup.com Investor Grievance Email: investors@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 | 42,00,000 Equity Shares* | ₹ 3,024.00 Lakhs | 100.00% |

*Includes 2,11,200 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 SEBI (ICDR) Regulations, as amended.

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

Details of 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 Person | [●] |
| Telephone | [●] |
| E-mail | [●] |
| Website | [●] |
| SEBI Registration No | [●] |
| CIN | [●] |
| MM Registration No | [●] |

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.

- *In terms of regulation 261(1) of SEBI ICDR Regulations 2018, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the BSE and SEBI regarding this matter from time to time.*
- *In terms of regulation 261(2) of SEBI ICDR Regulations 2018, 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 SME.*
- *In terms of regulation 261(3) of SEBI ICDR Regulations 2018, Following is a summary of the key details pertaining to the Market Making arrangement*
 1. 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).
 2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE SME and SEBI from time to time.
 3. The Market Maker is required to comply with SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 and SEBI ICDR Regulations and relevant Exchange Circulars requirement for Market Makers on SME platform.
 4. The minimum depth of the quote shall be Rs.1.00 Lakh. However, the investors with holdings of value less than Rs. 1.00 Lakh shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
 5. 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.
 6. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on BSE SME (in this case currently the minimum trading lot size is 1,600 equity shares; however, the same may be changed by the BSE SME from time to time).
 7. The 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 no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.

8. 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.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. In terms of regulation 261(6) of SEBI ICDR Regulations 2018, Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of **Satol Chemicals Limited** or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
11. In terms of regulation 261(7) of SEBI ICDR Regulations 2018, The Promoters' holding of **Satol Chemicals Limited** shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding of **Satol Chemicals Limited** which is not locked-in as per the SEBI (ICDR) Regulations, 2018 as amended, can be traded with prior permission of the SME Platform of BSE, in the manner specified by SEBI from time to time.
12. The Lead Manager may be represented on the Board of the Issuer Company in compliance with Regulation 261 (8) of SEBI (ICDR) Regulations, 2018.
13. 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 **Satol Chemicals Limited** via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.
14. **Risk containment measures and monitoring for Market Maker:** BSE SME 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.
15. **Punitive Action in case of default by Market Maker(s):** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case 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.

The Market Maker(s) shall have the right 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 SEBI (ICDR) Regulations. Further the Company and the Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the relevant laws and regulations applicable at that particular point of time.

16. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction

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

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

18. 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.

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

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

- *In terms of regulation 261(4) of SEBI ICDR Regulations 2018, 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 SME.*
- *In terms of regulation 261(5) of SEBI ICDR Regulations 2018, 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 SME: Provided that market maker shall not sell in lots less than the minimum contract size allowed for trading on the BSE SME.*

SECTION VI: CAPITAL STRUCTURE

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this draft prospectus, is set forth below:

(Rs. in Lakhs except share data)

| No. | Particulars | Aggregate Nominal Value | Aggregate Value at Issue Price |
|---------------------------|---|-------------------------|--------------------------------|
| A. | Authorized Share Capital | | |
| | 1,60,00,000 Equity Shares of ₹10/- each | 1,600.00 | -- |
| B. | Issued, Subscribed & Paid-up Share Capital prior to the Offer ⁽¹⁾ | | |
| | 1,11,55,762 Equity Shares of ₹10/- each | 1,115.58 | -- |
| C. | Present issue in terms of the draft prospectus ⁽²⁾ | | |
| | 42,00,000 Equity Shares of ₹10/- each for cash at a price of ₹72/- per share | 420.00 | 3,024.00 |
| Which Comprises of | | | |
| D. | Reservation for Market Maker portion | | |
| | 2,11,200 Shares of ₹10/- each for cash at a price a ₹72/- per Equity Share | 21.12 | 152.06 |
| E. | Net Issue to the Public | | |
| | 39,88,800 Equity Shares of ₹10/- each for cash at a price a ₹72/- per Equity Share, out of which: | 398.88 | 2,871.94 |
| | 19,95,200 Equity Shares of ₹10/- each for cash at a price a ₹72/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹2.00 lakhs | 199.52 | 1,436.54 |
| | 19,93,600 Equity Shares of ₹10/- each for cash at a price a ₹72/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹2.00 lakhs | 199.36 | 1,435.39 |
| F. | Paid up Equity capital after the Issue | | |
| | 1,53,55,762 Equity Shares of ₹10/- each | 1,535.58 | |
| G. | Securities Premium Account | | |
| | Before the Issue | 684.10 | |
| | After the Issue | 3,288.10 | |

⁽¹⁾ Our Company has only one class of share, i.e., Equity Shares having face value of ₹10/- each and there are no partly paid-up Equity Shares or preference shares or convertible securities outstanding for conversion as on the date of this draft prospectus.

⁽²⁾ The present Issue of 42,00,000 Equity Shares in terms of draft prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 27, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Annual General meeting of the members held on September 30, 2024.

Details of changes in Authorized Share Capital of our Company since incorporation:

| Date of Shareholders approval | EGM/AGM/ Postal Ballot | Authorized Share Capital (Rs.) | Details of change |
|-------------------------------|------------------------|--------------------------------|---|
| 23-10-2020 | On Incorporation | 15,00,000 | Incorporated with an Authorized Share Capital of ₹15,00,000 comprising of 1,50,000 Equity Shares of ₹10/- each. |
| 19-08-2024 | EGM | 16,00,00,000 | Increase in Authorized Share Capital from ₹15,00,000 comprising of 1,50,000 Equity Shares of ₹10/- each to ₹16,00,00,000 comprising of 1,60,00,000 Equity Shares of ₹10/- each. |

Notes to Capital Structure

Share capital history of our Company

(a) Equity shares capital history of our Company:

The following is the history of the equity share capital of our Company:

| Date of Allotment | No. of Equity Shares | Face Value (In ₹) | Issue Price (In ₹) | Nature of Consideration | Nature of Allotment | Cumulative No. of Equity Shares | Cumulative Paid-up Capital (in ₹) |
|---------------------------|----------------------|-------------------|--------------------|-------------------------|---------------------|---------------------------------|-----------------------------------|
| 23-10-2020 ⁽¹⁾ | 10,000 | 10.00 | 10.00 | Cash | Subscription to MOA | 10,000 | 1,00,000 |
| 16-08-2024 ⁽²⁾ | 8,562 | 10.00 | 8,000.00 | Other than Cash | Conversion of Loan | 18,562 | 1,85,620 |
| 16-10-2024 ⁽³⁾ | 1,11,37,200 | 10.00 | - | Nil | Bonus Issue | 1,11,55,762 | 11,15,57,620 |

(1) Allotment on Initial subscription to the Memorandum of Association dated 23-10-2020:

| Sl. No. | Name of the allottee | Face Value (₹) | Issue Price (₹) | Nature of Allotment | Number of Equity Shares allotted |
|--------------|-------------------------------|----------------|-----------------|---------------------|----------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 10.00 | 10.00 | Subscription to MOA | 8,000 |
| 2 | Mayuri Bhavesh Parsana | 10.00 | 10.00 | Subscription to MOA | 2,000 |
| Total | | | | | 10,000 |

(2) Further on 16-08-2024, Company has allotted 8,562 Equity Shares of Face Value Rs. 10/- each as per details given below:

| Sl. No. | Name of the allottee | Face Value (₹) | Issue Price (₹) | Nature of Allotment | Number of Equity Shares allotted |
|--------------|-------------------------------|----------------|-----------------|---------------------|----------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 10.00 | 8,000.00 | Conversion of Loan | 8,437 |
| 2 | Mayuri Bhavesh Parsana | 10.00 | 8,000.00 | Conversion of Loan | 125 |
| Total | | | | | 8,562 |

(3) Further on 16-10-2024, Company has allotted 1,11,37,200 Equity Shares of Face Value Rs. 10/- each in the ratio of 600:1 i.e. 600 shares for every 1 share held as per details given below:

| Sl. No. | Name of the allottee | Face Value (₹) | Issue Price (₹) | Nature of Allotment | Number of Equity Shares allotted |
|--------------|-------------------------------|----------------|-----------------|---------------------|----------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 10.00 | - | Bonus Issue | 98,62,200 |
| 2 | Mayuri Bhavesh Parsana | 10.00 | - | Bonus Issue | 12,72,000 |
| 3 | Arya Bhavesh Parsana | 10.00 | - | Bonus Issue | 600 |
| 4 | Fayyaz Ahmed | 10.00 | - | Bonus Issue | 600 |
| 5 | Ravikumar Shriram Malkhede | 10.00 | - | Bonus Issue | 600 |
| 6 | Kartik Devendra Vedant | 10.00 | - | Bonus Issue | 600 |
| 7 | Dnyanesh Vishnu Darshane | 10.00 | - | Bonus Issue | 600 |
| Total | | | | | 1,11,37,200 |

As on the date of this draft prospectus, our Company does not have any preference share capital.

(b) Equity shares issued for consideration other than cash:

As on the date of this draft prospectus, Our Company has not issued Equity shares for consideration other than cash except as mentioned below.

| Date of Allotment | Number of Equity Shares allotted | Issue Price (In ₹) | Consideration | Reason for Allotment | Name of the Allottee | Benefit accruing to the company |
|-------------------|----------------------------------|--------------------|-----------------|----------------------|----------------------|---------------------------------|
| 16-08-2024 | 8,562 | 8,000.00 | Other than Cash | Conversion of Loan | # | Reduction in Borrowings |
| 16-10-2024 | 1,11,37,200 | N/A | Nil | Bonus Issue | # | Capitalization of reserves |

#For list of allottees, see note 2 & 3 of paragraph titled "Equity Share Capital History of our Company" mentioned above.

(c) Revaluation of our assets:

We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

(d) If shares have been issued in terms of any scheme approved under section 230-234 of the Companies Act, 2013:

Our Company has not issued any Equity Shares in terms of any scheme approved under section 230-234 of the Companies Act, 2013.

(e) If shares have been issued under one or more employee stock option schemes:

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this draft prospectus.

(f) Issue of Equity Shares in the last one year below the Issue Price:

Except as mentioned above, our company has not issued equity shares at a price lower than the issue price of ₹ 72/- each during the preceding one year from the date of this draft prospectus.

(g) Shareholding Pattern of our Company:

The table below presents the current shareholding pattern of our Company as on the date of this draft prospectus.

| Category (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|--------------|--------------------------------|----------------------------|--|--|---|--|---|---|----------|-------------|-------------------------|--|--|----------------------------------|---------------------------------|---|----------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (Sb) | |
| | | | | | | | | Class: X | Class: Y | Total | | | | | | | | |
| A1 | Promoter | 2 | 1,11,52,757 | - | - | 1,11,52,757 | 99.97% | 1,11,52,757 | - | 1,11,52,757 | 99.97% | - | 99.97% | - | - | - | - | 1,11,52,757 |
| A2 | Promoter Group | 1 | 601 | - | - | 601 | 0.01% | 601 | - | 601 | 0.01% | - | 0.01% | - | - | - | - | 601 |
| B | Public | 4 | 2,404 | - | - | 2,404 | 0.02% | 2,404 | - | 2,404 | 0.02% | - | 0.02% | - | - | - | - | 2,404 |
| C | Non-Promoter-Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C1 | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C2 | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | 7 | 1,11,55,762 | - | - | 1,11,55,762 | 100.00% | 1,11,55,762 | - | 1,11,55,762 | 100.00% | - | 100.00% | - | - | - | - | 1,11,55,762 |

As on date of this draft prospectus, 1 Equity share holds 1 vote.

As on date, we have only one class of Equity Shares of face value of Rs. 10/- each.

All Pre-IPO equity shares of our company will be locked-in as per regulations of SEBI ICDR prior to listing of shares on SME Platform of BSE.

In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, all specified securities held by promoters are dematerialized.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the Listing Regulation, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of BSE Limited before commencement of trading of such Equity Share.

- (i) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on the date of the draft prospectus:*

| Sl. No. | Name of Shareholders | Number of Equity Shares | % of the Pre-Issue paid-up capital |
|--------------|-------------------------------|-------------------------|------------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 98,78,637 | 88.55% |
| 2 | Mayuri Bhavesh Parsana | 12,74,120 | 11.42% |
| Total | | 1,11,52,757 | 99.97% |

- (ii) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on a date 10 days before the date of the draft prospectus:*

| Sl. No. | Name of Shareholders | Number of Equity Shares | % of the Pre-Issue paid-up capital |
|--------------|-------------------------------|-------------------------|------------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 98,78,637 | 88.55% |
| 2 | Mayuri Bhavesh Parsana | 12,74,120 | 11.42% |
| Total | | 1,11,52,757 | 99.97% |

- (iii) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on a date 1 (one) year before the date of the draft prospectus:*

| Sl. No. | Name of Shareholders | Number of Equity Shares | % of the Pre-Issue paid-up capital |
|--------------|-------------------------------|-------------------------|------------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 8,000 | 80.00% |
| 2 | Mayuri Bhavesh Parsana | 2,000 | 20.00% |
| Total | | 10,000 | 100.00% |

- (iv) *List of Major Shareholders holding 1% or more of the paid-up equity share capital aggregating to atleast 80% of capital of our Company as on a date 2 (two) year before the date of the draft prospectus:*

| Sl. No. | Name of Shareholders | Number of Equity Shares | % of the Pre-Issue paid-up capital |
|--------------|-------------------------------|-------------------------|------------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 8,000 | 80.00% |
| 2 | Mayuri Bhavesh Parsana | 2,000 | 20.00% |
| Total | | 10,000 | 100.00% |

- (h) *Proposal or intention to alter our capital structure within a period of 6 months from the date of opening of the Issue:*

Our Company does not have any intention or proposal to alter our capital structure within a period of 6 months from the date of opening of the Issue by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company after obtaining relevant approvals.

(i) The Details of Shareholding of Promoters of Our Company;

Capital Build-up of our Promoters in our Company: The current promoters of our Company are Mr. Bhavesh Thakarshibhai Parsana and Mrs. Mayuri Bhavesh Parsana.

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company. As on the date of this draft prospectus, our Promoters collectively hold 1,11,52,757 Equity Shares, which constitutes approximately 99.97% of the pre-IPO issued, subscribed and paid-up Equity Share capital of our Company and approximately 72.63% of the post-IPO issued, subscribed and paid-up Equity Share capital assuming full allotment of the shares offered in IPO. The Details are as under:

| Particulars | Pre-Issue Shareholding | | Post-Issue Shareholding | |
|-------------------------------------|------------------------|--------------------|-------------------------|--------------------|
| | Number of Shares | Percentage holding | Number of Shares | Percentage holding |
| Promoters | | | | |
| Bhavesh Thakarshibhai Parsana | 98,78,637 | 88.55% | 98,78,637 | 64.33% |
| Mayuri Bhavesh Parsana | 12,74,120 | 11.42% | 12,74,120 | 8.30% |
| Total Promoters Shareholding | 1,11,52,757 | 99.97% | 1,11,52,757 | 72.63% |

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself. Further, none of the Equity Shares held by our Promoters are subject to any pledge.

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

i) Bhavesh Thakarshibhai Parsana

| Date of Allotment/ Acquisition/ Sale | Number of Equity Shares | Face Value | Issue/ Transfer Price per Equity Share | Nature of Consideration | Nature of transaction | Pre-issue Share Holding % | Post-issue Share Holding % | Pledge |
|--------------------------------------|-------------------------|------------|--|-------------------------|-----------------------|---------------------------|----------------------------|--------|
| 23-10-2020 | 8,000 | 10.00 | 10.00 | Cash | Subscription to MoA | 0.07% | 0.05% | No |
| 16-08-2024 | 8,437 | 10.00 | 8,000.00 | Other than Cash | Conversion of Loan | 0.08% | 0.06% | No |
| 16-10-2024 | 98,62,200 | 10.00 | - | Nil | Bonus Issue | 88.40% | 64.22% | No |
| Total | 98,78,637 | | | | | 88.55% | 64.33% | |

ii) Mayuri Bhavesh Parsana

| Date of Allotment/ Acquisition / Sale | Number of Equity Shares | Face Value | Issue/ Transfer Price per Equity Share | Nature of Consideration | Nature of transaction | Pre-issue Share Holding % | Post-issue Share Holding % | Pledge |
|---------------------------------------|-------------------------|------------|--|-------------------------|---|---------------------------|----------------------------|--------|
| 23-10-2020 | 2,000 | 10.00 | 10.00 | Cash | Subscription to MoA | 0.02% | 0.01% | No |
| 28-03-2024 | -1 | 10.00 | - | Nil | Transferred to Arya Bhavesh Parsana | 0.00% | 0.00% | No |
| 28-03-2024 | -1 | 10.00 | - | Nil | Transferred to Fayyaz Ahmed | 0.00% | 0.00% | No |
| 28-03-2024 | -1 | 10.00 | - | Nil | Transferred to Ravikumar Shriram Malkhede | 0.00% | 0.00% | No |
| 28-03-2024 | -1 | 10.00 | - | Nil | Transferred to Kartik Devendra Vedant | 0.00% | 0.00% | No |
| 28-03-2024 | -1 | 10.00 | - | Nil | Transferred to Dnyanesh Vishnu Darshane | 0.00% | 0.00% | No |
| 16-08-2024 | 125 | 10.00 | 8000.00 | Other than Cash | Conversion of Loan | 0.00% | 0.00% | No |
| 16-10-2024 | 12,72,000 | 10.00 | - | Nil | Bonus Issue | 11.40% | 8.28% | No |
| Total | 12,74,120 | | | | | 11.42% | 8.30% | |

Note: All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares and there are no partly paid-up Equity Shares as on the date of filing of this draft prospectus.

- (j) *As on date of this draft prospectus, our Company has 7 (Seven) shareholders only.*
- (k) *The aggregate shareholding of the Promoters and Promoter Group and of the directors of the promoters, where the promoter is a body corporate:*

The Aggregate shareholding of the Promoters & Promoter Group is as under:

| Particulars | Pre-Issue Shareholding | | Post-Issue Shareholding | |
|--|------------------------|--------------------|-------------------------|--------------------|
| | Number of Shares | Percentage holding | Number of Shares | Percentage holding |
| Promoters | | | | |
| Bhavesh Thakarshibhai Parsana | 98,78,637 | 88.55% | 98,78,637 | 64.33% |
| Mayuri Bhavesh Parsana | 12,74,120 | 11.42% | 12,74,120 | 8.30% |
| Total Promoters Shareholding (A) | 1,11,52,757 | 99.97% | 1,11,52,757 | 72.63% |
| Promoter Group | | | | |
| Arya Bhavesh Parsana | 601 | 0.01% | 601 | 0.00% |
| Total Promoters Group Shareholding (B) | 601 | 0.01% | 601 | 0.00% |
| Total Promoters & Promoters Group (A+B) | 1,11,53,358 | 99.98% | 1,11,53,358 | 72.63% |

- (l) *The aggregate number of specified securities purchased or sold by the promoter, promoter group and/or by the directors of the company and their relatives in the preceding six months:*

| Name of Shareholder | Promoter/ Promoter Group/ Director | Date of Transaction | Number of Equity Shares Subscribed to/ Acquired | Number of Equity Shares Sold/ Transferred | Nature of Transaction |
|-------------------------------|---|---------------------|--|--|--------------------------|
| Bhavesh Thakarshibhai Parsana | Promoter & Managing Director | 16-08-2024 | 8,437 | - | Conversion of Loan |
| | | 16-10-2024 | 98,62,200 | - | Bonus Issue |
| Mayuri Bhavesh Parsana | Promoter & Executive Director | 16-08-2024 | 125 | - | Conversion of Loan |
| | | 16-10-2024 | 12,72,000 | - | Bonus Issue |
| Arya Bhavesh Parsana | Promoter Group | 16-10-2024 | 600 | - | Bonus Issue |
| Ravikumar Shriram Malkhede | Non-Executive Director | 16-10-2024 | 600 | - | Bonus Issue |
| Dnyanesh Vishnu Darshane | Non-Executive Director | 16-10-2024 | 600 | - | Bonus Issue |

- (m) *There are no financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity in the six months immediately preceding the date of filing of the offer document.*

- (n) *Promoter's Contribution:*

(i) Details of Promoter's Contribution Locked-in of Equity Shares for Three (3) Years

Pursuant to Regulation 236 of SEBI (ICDR) Regulations 2018, minimum promoters' contribution should be not less than 20% of the post Issue equity share capital of our Company.

Further, in terms of Regulation 238(a) of SEBI ICDR Regulations, minimum promoter's contribution will be locked-in for a period of three years from the date of Allotment or date of commencement of commercial production, whichever is later and the Equity Shares held by Promoter of our Company in excess of minimum promoter's contribution will be locked-in for a period of one year from the date of Allotment.

As on the date of this draft prospectus, our Promoters collectively hold 1,11,52,757 Equity Shares constituting 72.63% of the Post offer issued, subscribed and paid-up Equity Share capital of our Company, out of which 30,71,153 equity shares being 20.00% of the post Issue equity share capital of our Company are eligible for the Promoter's Contribution margin.

An aggregate of minimum 20.00% of the post-issue capital, held by our Promoters shall be considered as Promoter's Contribution ("Minimum Promoter's Contribution") and locked-in for a period of three years from the date of allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have granted their consents to include such number of Equity Shares held by them as may constitute minimum 20.00% of the post-issue Equity Share Capital of our Company as Promoter's Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's Contribution from the date of filing of this draft prospectus until the completion of the lock-in period specified above.

The details of lock-in of shares for 3 (three) years are as under:

| Date of Allotment/ Acquisition | Date When made fully paid up | Nature of Allotment/ Transfer | No. of Equity Shares | Face Value | Issue Price/ Transfer Price | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital | Lock in Period |
|--------------------------------------|------------------------------|-------------------------------|----------------------|------------|-----------------------------|-------------------------------------|--------------------------------------|----------------|
| Bhavesh Thakarshibhai Parsana | | | | | | | | |
| 16-10-2024 | 16-10-2024 | Bonus Issue | 30,71,153 | 10.00 | Nil | 27.53 | 20.00 | 3 years |
| Total | | | 30,71,153 | | | 27.53 | 20.00 | |

30,71,153 Pre-IPO equity shares of our company held by Our Promoter will be locked-in for 3 (three) years as mentioned above prior to listing of shares.

In terms of Regulation 237 of SEBI ICDR Regulations, our Company confirms that none of the Equity Shares forming part of minimum promoter's contribution –

- Are acquired by our Promoter during preceding three financial years;
 - For consideration other than cash and where revaluation of assets or capitalization of intangible assets was involved; or
 - Through bonus issue of Equity Shares made by utilizing the revaluation reserves or unrealized gain or through bonus issue against equity shares which are ineligible for minimum promoter's contribution;
- Are pledged by our Promoter with any creditor;
- Consist of Equity Shares acquired by our Promoter during preceding one year at a price lower than the Issue Price.

Our Company was incorporated under the Companies Act, 2013 and was not incorporated by converting the partnership firm(s) or LLP(s).

The Promoters have severally confirmed that the Equity Shares are eligible in terms of Regulation 237 of SEBI (ICDR) Regulations and that they have not been prohibited from dealings in securities market and the Equity Shares are free from any lien, encumbrance or third-party rights. The Promoters have also severally confirmed that they are the legal and beneficial owners of the Equity.

All the Equity Shares held by our Promoters were fully paid up as on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed of by them for such purpose.

(ii) Details of Equity Shares Locked-in for one (1) year

In excess of minimum 20% of the post-Issue shareholding of our Company held by the Promoter (locked in for three years as specified above), the balance pre-issue share capital of our Company held by promoters shall be locked in for a period of one year from the date of Allotment in this Issue as provided in clause 238(b) of SEBI (ICDR) Regulations 2018.

Further, in terms of Regulation 239 of SEBI ICDR Regulations, entire pre-Issue equity shares capital of our Company held by persons other than our Promoter will be locked-in for a period of one year from the date of Allotment in the Issue.

The details of lock-in of shares for 1 (one) year are as under:

| Name of Shareholders | Category | No of Shares Held | Lock-in for 3 Years | Lock-in for 1 Year |
|-------------------------------|----------------|--------------------|---------------------|--------------------|
| Bhavesh Thakarshibhai Parsana | Promoter | 98,78,637 | 30,71,153 | 68,07,484 |
| Mayuri Bhavesh Parsana | Promoter | 12,74,120 | - | 12,74,120 |
| Arya Bhavesh Parsana | Promoter Group | 601 | - | 601 |
| Fayyaz Ahmed | Public | 601 | - | 601 |
| Ravikumar Shriram Malkhede | Public | 601 | - | 601 |
| Kartik Devendra Vedant | Public | 601 | - | 601 |
| Dnyanesh Vishnu Darshane | Public | 601 | - | 601 |
| Total | | 1,11,55,762 | 30,71,153 | 80,84,159 |

(iii) Other requirements in respect of lock-in

➤ **Inscription or recording of non-transferability:**

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

➤ **Pledge of Locked-in Equity Shares**

Pursuant to Regulation 242 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoter, as specified above, can be pledged with any scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company as collateral security for loans granted by such scheduled commercial banks or public financial institutions or systemically important non-banking finance company or housing finance company, subject to fulfilment of following conditions:

- i. In respect of Equity Shares which are locked in for a period of one year, the pledge of the Equity Shares is one of the terms of the sanction of the loan;
- ii. In respect of Equity Shares which are locked in for a period of three years, the loan has been granted by such scheduled commercial bank or public financial institution or systemically important non-banking finance company or housing finance company to our Company or our Subsidiary (ies) for the purpose of financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

➤ **Transfer of Locked-in Equity Shares**

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

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

(iv) Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this draft prospectus:

There is no other Sale/Purchase by Promoter Group and/or by directors of Company which is promoter of our company and/or by the director of our company and their immediate relatives during six months preceding the date of this draft prospectus except as mentioned in this chapter and draft prospectus.

- (o) Our Company, its Directors, Promoters or the Lead Manager have not entered into any buy-back or standby arrangements for the purchase of the Equity Shares of our Company.
- (p) Our Company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Draft Prospectus except as otherwise mentioned in "**Risk Factors**" beginning on Page 22 of Draft Prospectus, if any.
- (q) The Equity Shares issued pursuant to this Issue shall be fully paid-up.
- (r) The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing this draft prospectus.
- (s) There are no options granted or equity shares issued under any scheme of employee stock option or employee stock purchase of issuer, in the preceding three years (separately for each year) and on a cumulative basis for all options or equity shares issued prior to the date of the draft prospectus.
- (t) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this draft prospectus.

Other miscellaneous disclosures:

1. None of the Equity Shares of our Company are subject to any pledge as on the date of this draft prospectus.
2. None of the shareholding of the Promoters & Promoter Group is subject to lock-in as on date of this draft prospectus.
3. Except as disclosed in the chapter titled "**Our Management**" beginning on page 154 of this draft prospectus, none of our directors or Key Managerial Personnel or Senior Management holds any Equity Shares in our Company.
4. None of our Promoters, Promoter Group, our directors and their relatives has entered into any financing arrangements or financed the purchase of the Equity shares of our Company by any other person during the period of six (6) months immediately preceding the date of filing of the draft prospectus.
5. We hereby confirm that there will be no further issue of capital whether by the way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the draft prospectus until the Equity shares offered have been listed or application money unblocked on account of failure of issue.
6. 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.
7. Our Company has not issued Equity Shares out of Revaluation Reserves.

8. Our Company shall comply with such disclosures and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
9. Our Company has not made any public issue of any kind or class of securities of our Company within the immediately preceding two (2) years prior to filing this draft prospectus.
10. Our Company has not raised any bridge loan against the proceeds of this issue.
11. Our Company, Directors, Promoters or members of our Promoter Group shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this draft prospectus.
12. Our Company has not revalued its assets since incorporation.
13. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Net 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 three (3) years lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
14. 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 Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
15. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of SEBI (ICDR) Regulations.
16. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
17. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
18. There are no Equity Shares against which depository receipts have been issued.
19. Other than the Equity Shares, there is no other class of securities issued by our Company.
20. This issue is being made through Fixed Price method.
21. This Issue is being made in terms of Section IX of the SEBI (ICDR) Regulations 2018, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI (ICDR) Regulations 2018, 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, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.

22. *None of the members of our Promoters and Promoter Group will participate in the Issue.*

SECTION VII: PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

The Issue includes a fresh Issue of **42,00,000** Equity Shares of our Company having face value of Rs. 10/- each at an Issue Price of ₹ 72/- per Equity Share aggregating to ₹ **3,024.00** Lakhs. Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects and gain benefits of listing on Stock Exchange.

The Objects of the Issue are:

- A. Part Funding of Capital Expenditure towards setting up new manufacturing facility
- B. General Corporate Purposes

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. It will also make future financing easier and affordable in case of expansion or diversification of the business. Further, listing attracts interest of institutional investors as well as foreign institutional investors.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are set out in the following table:

(₹ in Lakhs)

| Particulars | Amount |
|-------------------------------|-----------------|
| Gross Proceeds from the Issue | 3,024.00 |
| (Less) Issue related expenses | 307.92 |
| Net Proceeds | 2,716.08 |

Utilization of Funds

₹ in Lakhs)

| Sr. No. | Particulars | Estimated Amount | % of total issue size | Amount to be financed from Issue Proceeds |
|---------|--|------------------|-----------------------|---|
| A | Part Funding Capital Expenditure towards setting up new manufacturing facility | 2,650.00 | 87.63% | 2,650.00 |
| B | General Corporate Expenses | 66.08 | 2.19% | 66.08 |
| | Net Issue Proceeds | 2,716.08 | 89.82% | 2,716.08 |

The issue proceeds are estimated to be utilized in FY 2024-25 & 2025-26.

Schedule of estimated utilisation of funds:

(₹ in Lakhs)

| Sr. No. | Particulars | Amount to be financed from Issue Proceeds | Estimated utilisation of Issue Proceeds in FY 2024-25 & 2025-26 |
|---------|--|---|---|
| A | Part Funding Capital Expenditure towards setting up new manufacturing facility | 2,650.00 | 2,650.00 |
| B | General Corporate Expenses | 66.08 | 66.08 |
| | Net Issue Proceeds | 2,716.08 | 2,716.08 |

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 internal / external circumstances or costs or 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. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, subject to regulatory approval required under applicable law. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

Our Company proposes to deploy the entire Net Proceeds towards the aforementioned Objects during Fiscal FY 2024-25 and 2025-26. In the event that the estimated utilization of the Net Proceeds in scheduled fiscal year is not completely met, the same shall be utilized in the next fiscal year i.e. Fiscal 2026-27, as may be determined by the Board, in accordance with applicable laws.

We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial conditions, business strategy, and external factors such as market condition, result of changes in commercial or other factors, which may not be within the control of our management. This may entail re-scheduling or revising or increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management subject to compliance of applicable law. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 and other applicable law.

Details breakup of the Use of the Proceeds

A. Part Funding Capital Expenditure towards setting up New Manufacturing Unit:

Estimated Cost of the Project

| ₹ in lakhs | | | |
|------------------------|------------------|---------------|-----------------|
| Particulars | Estimated Amount | Cost Incurred | To be Incurred |
| Land | 1,665.64 | 80.00 | 1,585.64 |
| Building & Civil Works | 659.23 | - | 659.23 |
| Plant & Machinery | 533.47 | - | 533.47 |
| Contingencies | 49.45 | - | 49.45 |
| Total | 2,907.79 | 80.00 | 2,827.79 |

The total cost involved in setting up of New Manufacturing Unit has been estimated by our management and is based on the (1) quotations received from third party suppliers/contractors, (2) work/purchase orders placed to third party suppliers/contractors, and certified by Auditor vide Certificate dated 23/01/2025

Means of Finance

| ₹ in lakhs | | | |
|-------------------------|------------------|---------------|-----------------|
| Particulars | Estimated Amount | Cost Incurred | To be Incurred |
| Bank Existing Term loan | 115.00 | - | 115.00 |
| IPO Fund | 2,650.00 | - | 2,650.00 |
| Internal Accrual | 142.79 | 80.00 | 62.79 |
| Total | 2,907.79 | 80.00 | 2,827.79 |

Till 22/01/2025, our company has made payment of ₹ 80.00 lakhs towards advance for purchase of land (based on statutory auditor certificate dated 23/01/2025). Since the project is ongoing, any further infusion of fund to complete the project on time after 22/01/2025 will be reimbursed/recouped from IPO Proceeds.

Objectives of Capital Expenditure towards setting up new Manufacturing Unit:

As part of our long-term strategic vision to expand operations, capture emerging market opportunities, and strengthen our brand presence, we aim to set up a new manufacturing facility at Plot No. Ex/1 & Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P & 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat. This state-of-the-art facility will be dedicated to producing a diverse range of specialty cleaning products to cater to the growing demand across multiple industries. The product categories and their intended applications include:

- **Industrial Products:** Alkaline and Acidic Cleaners, Lubricants, Descalers, Foam Cleaners, Defoamer, Antiscalant and Disinfectants.
- **Housekeeping Products:** Bathroom and Floor Cleaners, Shampoos, Detergent Powders, Fabric Softeners, Glass Cleaners, Grill Cleaners, and Room Fresheners.
- **Drugs and Cosmetic Products:** Hand Washes, Hand Sanitizers, Germicidal Cleaners, and Disinfectant Floor Cleaners.

This project, with an estimated investment of ₹2,907.79 lakhs, aims to achieve the following:

- **Address Growing Market Demand:**
 - The project will enable us to meet the rising demand for cleaning chemical solutions across a diverse range of industries, ensuring the availability of high-quality, customized products.
- **Industry Focus:**
 - **Industrial Sectors:** Catering to breweries, beverages, dairy, food processing, poultry, fisheries, and water treatment industries with products like defoamers, cleaners, and sanitizers.
 - **Institutional Cleaning:** Focused on providing solutions to commercial laundry, facility management, hotels, and healthcare sectors.
 - **Retail and Public Sectors:** Delivering tailored cleaning products for education, government institutions, and the food services industry.
- **Diversify Product Offerings:**
 - The new unit will strengthen our product portfolio and address the unique operational needs of each industry segment, thereby ensuring a competitive edge.
- **Capacity Augmentation:**
 - The additional manufacturing capacity will allow us to scale up production in speciality cleaning products while enhancing operational flexibility, optimizing manufacturing processes, and fostering the introduction of new innovations.

At present, our company operates with the following annual production capacities:

- **Industrial Products:** 8,400 MT (utilization rate: 75.62%)
- **Housekeeping Products:** 2,400 MT (utilization rate: 54.92%)
- **Drugs and Cosmetic Products:** 1,200 MT (utilization rate: 27.46%)

This new facility will not only support increased production volumes but also improve operational efficiency across all product categories.

To facilitate the execution of this project, we have already taken the following steps:

- **Land Acquisition:**
 - Identified a suitable land admeasuring about 5,139 sq. mtr. at Plot No. Ex/1 & Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P & 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat. Our Company has already entered into Memorandum of Understanding (MoU) with the land owners and made an advance payment of ₹ 80.00 lakhs for the land.
- **Target Completion:**
 - The manufacturing unit is expected to be fully operational by May' 2026, aligning with our strategic growth timeline.

To finance part of the capital expenditure for this project, our company intends to allocate ₹ 2,650.00 lakhs from the IPO proceeds. This funding will ensure timely completion of the manufacturing unit and position us to leverage growth opportunities in the market.

By executing this project, we aim to build a robust infrastructure, diversify our product range, and cater to a broader spectrum of industries, reinforcing our control in the specialty cleaning product market.

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

The fund requirement and deployment 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. In case of any 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.

If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals.

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 re-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 / Companies Act, 1956.

Detailed Break-up of Capital Expenditure

Land and Land Development

Our Company has already identified a suitable land admeasuring about 5,139 sq. mtr. at Plot No. Ex/1 & Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P & 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat. Our Company has already entered into Memorandum of Understanding (MoU) with the land owners and made an advance payment of ₹ 80.00 lakhs for the land.

| Particulars of Land | Area of Land | Name of Party | Amount (₹ in lakhs) |
|--|---------------|--|------------------------|
| Plot No. Ex/1, Vapi Industrial Estate, Revenue Survey No. 921/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat | 3369 sq. mtr. | M/s. Shree Chemical | 1,000.00 |
| Plot No. Ex/2, Vapi Industrial Estate, Revenue Survey No. 921/P, 922/P, Vapi Village, Vapi Taluka, Dist: Valsad, Gujarat | 1770 sq. mtr. | M/s. Shivam Chemicals | 530.00 |
| Registration (4.9%) & Stamp Duty (1%) and Pages Charges | 5139 sq. mtr. | Sub-Registrar Office, Vapi | 90.29 |
| GIDC Transfer Fees | 5139 sq. mtr. | Gujarat Industrial Development Corporation | 30.00 |
| Brokerage Fees | 5139 sq. mtr. | Neena Ajay Popat | 15.35 |
| Total | | | 1,665.64 |

Building and Civil Works

The Civil Cost of our proposed manufacturing facility which consists Ground Floor work, Mezzanine Floor Work, First Floor Work & Terrace Floor Work is estimated to be ₹ 659.23 lakhs. The detailed break-up of Building and Civil Works are hereunder:

| Specification of Works | Name of Party | Date of Quotation | Quotation valid up to | Date of Placement of Order | Expected Date of Completion | Amount (₹ in lakhs)* |
|--|------------------------------|-------------------|-----------------------|----------------------------|-----------------------------|----------------------|
| Civil Construction of Building consisting Ground Floor work, Mezzanine Floor Work, First Floor Work & Terrace Floor Work | Siddheshwar Infra. Pvt. Ltd. | 05-01-2025 | 04-04-2025 | Order not placed | Order not placed | 659.23 |
| Total (Building and Civil Works) | | | | | | 659.23 |

Plant & Machinery

The Plant & Machinery for proposed Manufacturing Facility which consists Mechanical Work, Electrical Work, Fire Fighting Equipment and Utilities is estimated to be ₹ 533.47 lakhs. The detailed break-up of Plant & Machinery is hereunder:

| Name of Plant & Machinery | Name of Party | Date of Quotation | Quotation valid up to | Date of Placement of Order | Expected Date of Completion | Amount (₹ in lakhs)* |
|---|--|-------------------|-----------------------|----------------------------|-----------------------------|----------------------|
| Mechanical Equipment | | | | | | |
| Electronic Liquid Filling Machine, Automatic Single Head Screw Capping Machine, Bottle Change Part, Cap Change Part, Vibratory Bowl | Maharshi Udyog | 23-01-2025 | 21-02-2025 | Order not placed | Order not placed | 68.26 |
| Sticker Labelling Machine, Wrap Around Device, Slat Conveyor | Maharshi Udyog | 23-01-2025 | 21-02-2025 | Order not placed | Order not placed | 23.90 |
| SS316L GMP Reactor 5 KL Cap with SS304 Jacket | Sai Ratna Engg. & Fabricators | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 56.50 |
| SS316L GMP Reactor 10 KL Cap | Sai Ratna Engg. & Fabricators | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 21.29 |
| FRP Tank for HCL Mixing Tank | BS Projects Pvt Ltd | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 7.20 |
| SS316L GMP Holding Tank 10 KL Cap | Sai Ratna Engg. & Fabricators | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 11.55 |
| SS316L GMP Holding Tank 5 KL Cap | Sai Ratna Engg. & Fabricators | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 24.76 |
| Racking System (66 Racks with total Pallet Storage 660 Nos.) | Divakaran Storage and Handling Systems Pvt. Ltd. | 28-12-2024 | 27-03-2025 | Order not placed | Order not placed | 20.71 |
| Fork Lift with Battery Charger | JECL Engineering Ltd | 22-01-2025 | 22-03-2025 | Order not placed | Order not placed | 37.83 |
| Semi Battery Stacker, Drum Trolley Wheel, Drum Lifter & Tilter Manual, Nylon Wheel | Rudra Equipment | 13-01-2025 | 12-04-2025 | Order not placed | Order not placed | 7.07 |
| Electronic Weighing Scales (300 Kg, 50 Kg, 5 Kg) | Setra Scale Industries | 04-01-2025 | 04-03-2025 | Order not placed | Order not placed | 3.00 |
| Storage Tanks | PVR Plastics | 31-12-2024 | 30-03-2025 | Order not placed | Order not placed | 2.60 |
| Air-Operated Double Diaphragm Pumps (AODD) | Air-Tech Pumps Pvt. Ltd. | 13-01-2025 | 11-02-2025 | Order not placed | Order not placed | 4.64 |

| Name of Plant & Machinery | Name of Party | Date of Quotation | Quotation valid up to | Date of Placement of Order | Expected Date of Completion | Amount (₹ in lakhs)* |
|--|---|-------------------|-----------------------|----------------------------|-----------------------------|----------------------|
| Centrifugal Pump | Aeromatic Pump Sales & Service | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 3.78 |
| Lab Equipments | Labline Stock Centre LLP | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 17.01 |
| Laboratory, Packing Lab, Quality Control Furniture | Ultra Fab India Pvt. Ltd. | 15-01-2025 | 28-02-2025 | Order not placed | Order not placed | 10.45 |
| 5000 CMH PP+FRP Scrubber | BS Projects Pvt Ltd | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 10.90 |
| SS316L GMP Reactor 2 KL Cap | Sai Ratna Engg. & Fabricators | 03-01-2025 | 02-04-2025 | Order not placed | Order not placed | 8.50 |
| Electrical Works | | | | | | |
| Supply Erection, Testing and Commissioning, Machinery Wiring & Lighting, Wiring Plug Point, All Accessories, 11 Kv, 1250 Amp VCB Panel Outdoor Transformer, Outdoor Panel, Liasoning Work for HT D.G Passing, Electrical Inspector Approval and Other Related Paper Work, PCC Panel with MCC & APFC Panel 1250 Amp, Maintenance Free Rod Earthing, Copper Bounded Earthing Electrode 78 X 3 Mtr., Chemical Compound Complete Set | Bजारंग Electricals Mechanic Works | 13-01-2025 | 12-04-2025 | Order not placed | Order not placed | 36.79 |
| Fire Fighting Equipment | | | | | | |
| Fire Hydrant/Pump House System, Fire Sprinkler System & Fire Alarm and Detection System | Shah Fire Safety | 20-01-2025 | 19-04-2025 | Order not placed | Order not placed | 43.92 |
| Utilities | | | | | | |
| Hydraulic Industrial Goods Lift | Jai Ashapura Hydraulics | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 29.00 |
| Chimney Pipe Line for Thermic Fluid Heater | S. N. Services | 02-12-2024 | 01-03-2025 | Order not placed | Order not placed | 6.21 |
| Cooling Tower (Model No. NCT-3000) with Basin | National Cooling Towers | 13-01-2025 | 12-04-2025 | Order not placed | Order not placed | 3.81 |
| Screw Air Compressor (Model No. SMV-30), Refrigerated Air Dryer, Air Receiver Tank | Gore Enterprises | 15-01-2025 | 13-02-2025 | Order not placed | Order not placed | 4.97 |
| MBBR Effluent Treatment Plant 10 KLD | A. P. Engineers | 13-01-2025 | 12-04-2025 | Order not placed | Order not placed | 18.28 |
| RO Plant with MB & UV System | Unique Aqua Systems & Chemical Industries | 30-12-2024 | 29-03-2025 | Order not placed | Order not placed | 9.20 |
| Diesel Generator 320 KVA | Sudhir Power Limited | 15-01-2025 | 14-04-2025 | Order not placed | Order not placed | 29.00 |
| Underground Tank (1,00,000 Ltr) | Sanavi Infrabuildcon Pvt. Ltd. | 13-01-2025 | 12-04-2025 | Order not placed | Order not placed | 12.50 |
| Total (Mechanical, Electrical, Fire Fighting and Utilities) | | | | | | 533.47 |

Contingency

Even through the Company has received firm quotations for plant and machinery and for building and civil works, however there are some items which are yet to be finalized i.e. Legal/Professional Fees, Architect Fees, Expenditure for Licenses/Permission for setting up new plant, deposits for Electricity and Common Effluent Treatment Plant etc. Hence our company has considered a contingency of ₹ 49.45 lakhs, so as to take care of any cost escalations and unforeseen expenses, during the course of implementation of the Project.

Other confirmations relating to the proposed manufacturing unit:

- We have considered the above quotations for the budgetary estimate purposes and as on date of this Draft Prospectus. Our company has not placed any orders or made any payment towards building and civil cost and purchase of above plant and machinery. The actual cost of procurement and actual supplier may vary.
- We have not entered into definitive agreements with any of these suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the equipment or at the same costs.
- We do not intend to purchase any second-hand machinery or equipment. The quantity of plant and machinery to be purchased is based on quotations received from suppliers and estimates of our management. The Management shall have the flexibility to revise such quantities/ estimates (including but not limited to change of the supplier or addition/deletion of any quantity of plant and machinery) at the time of actual placement of the order. Furthermore, if any surplus from the proceeds remains after meeting the total cost of the plant and machinery 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 at the actual time of completion, 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 purchase of equipment/machinery and the proposed deployment is subject to final terms and conditions agreed with the supplier including the finalization of price, payment/credit terms, delivery schedule, technology advancement and other market factors prevailing at that time.
- Any additional costs incurred towards applicable taxes, freight charges, installation charges, exchange rate fluctuations, including any contingencies etc. in relation to above object, will be met from internal accruals of our Company.

The proposed Schedule of proposed Manufacturing Unit is as follows:

| Particulars | Estimated month of | |
|--|--------------------|----------------|
| | Commencement | Completion |
| Land | November' 2024 | March' 2025 |
| Order for Building and Civil Works | March' 2025 | March' 2025 |
| Construction of Building and Civil Works | April' 2025 | November' 2025 |
| Order of Plant & Machinery | June' 2025 | December' 2025 |
| Delivery of Plant & Machinery | August' 2025 | February' 2026 |
| Installation of Plant & Machinery | October' 2025 | March' 2026 |
| Trial Run | April' 2026 | April' 2026 |
| Commercial Operation | May' 2026 | |

B. General Corporate Purpose:

The Net Proceeds will be first utilized towards the Objects as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount being raised by our Company through this issue, in compliance with the Chapter IX, Regulation 230 (2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Net Proceeds i.e., ₹ 66.08 Lakhs, which is 2.19% of the amount being raised by our company through this issue, towards general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives, partnerships, joint ventures and acquisitions;
- (ii) Brand building, promotional & marketing activities and advisory;
- (iii) Meeting exigencies and contingencies which our company in the ordinary course of business may not foresee; and
- (iv) Any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the balance Net Proceeds for general corporate purposes, as mentioned above.

C. Issue Related Expense:

The expenses for this Issue include issue management fees, underwriting fees, selling commission, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees, statutory expenses etc. 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:

| Activity | Estimated Expenses (₹ In Lakhs) | % of Total Issue Expenses | % of the Total Issue Size |
|--|------------------------------------|---------------------------|---------------------------|
| Lead Manager Fees, Underwriting commission, including other intermediaries Fees, Printing and distribution of Issue Stationary | 102.48 | 33.28% | 3.39% |
| Regulators Including Stock Exchanges | 24.00 | 7.79% | 0.79% |
| Advertising, Selling, Marketing and Advisory Expenses | 181.44 | 58.92% | 6.00% |
| Total | 307.92 | 100.00% | 10.18% |

Note:

- **ASBA Bankers:** The SCSBs will be entitled to selling commission of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price) for the forms directly procured by them and uploaded on the electronic system of the stock exchange by them on the portion of Retail Individual Bidders and Non-Institutional Bidders. No other fees/commission shall be payable on the application forms directly procured by them.
- The SCSBs would be entitled to processing fees of 0.03% (plus GST) of the amount allotted (product of the no. of equity shares allotted and the issue price), for processing the application forms procured by other intermediaries and submitted to SCSBs for processing.
- **SYNDICATE ASBA:** Other intermediaries (syndicate/sub-syndicate/registered broker/CRTAs/CDPs or for using 3-in-1 type account i.e. linked online trading, demat and bank account provided by some of the registered brokers) will be entitled to selling commission of ₹10/- (plus GST) per valid application form wherein the shares has been allotted for the forms directly procured by them and submitted to SCSBs for processing by them on the portion of Retail Individual Bidders and Non-Institutional Bidders.
- **Sponsor banks for UPI Mechanism** as registered with SEBI would be entitled to a processing fee of ₹7/- (plus GST) (or mutually decided and agreed) per valid application form wherein the shares have been allotted, using the UPI mechanism for processing. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable laws.

- *The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant registered broker and other intermediaries.*
- *Any expenses incurred towards IPO related expenses will be reimbursed/recouped out of the gross proceeds of the Issue.*
- *The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*
- *Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs/LM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.*

Proposed Schedule of Implementation:

| Particulars | Amount to be deployed and utilized in 2024-25 & 2025-26* |
|--|--|
| Part Funding Capital Expenditure towards setting up new manufacturing unit | 2,650.00 |
| General Corporate Purposes | 66.08 |
| Net Issue Proceeds | 2,716.08 |

** To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net Issue Proceeds in the subsequent Financial Years towards the Object.*

Means of Finance:

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

The fund requirement and deployment 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 re-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.

Appraisal by Appraising Fund:

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

Shortfall of Funds

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

Bridge Financing Facilities

As on the date of this draft prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Interim Use of Proceeds

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

Monitoring Utilization of Funds

As the Issue size is less than Rs. 10,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Net Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this draft prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

No part of the Issue Proceeds will be paid by our Company as consideration to our Promoters, our Directors, Key Managerial Personnel or Senior Management or companies promoted by the Promoters, except as may be required in the usual course of business and for working capital requirements.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Initial Public Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

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

BASIS FOR ISSUE PRICE

The Issue Price of ₹72/- per Equity Share has been determined by our Company, in consultation with the Lead Manager and justified by our Company, on the basis of an assessment of market demand for the Equity Shares through the Fixed Price Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Share of our Company is ₹10/- and Issue Price is ₹72/- which is 7.20 times of the face value. Investors should also refer “**Our Business**”, “**Risk Factors**” and “**Financial Statements as Restated**” beginning on page no. 111, 22 and 178 respectively, of this draft prospectus, to have an informed view before making an investment decision.

QUALITATIVE FACTORS:

Some of the qualitative factors, which form the basis for computing the price, are –

- Established and proven track record;
- Leveraging the experience of our Promoters;
- Experienced management team and a motivated and efficient work force;
- Cordial relations with our customers
- Quality Assurance & Control

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to Section titled, “**Our Business**”, beginning on page no. 111 of this draft prospectus.

QUANTITATIVE FACTORS:

The information presented in this section is derived from our Company’s Restated Financial Statements for the Six-months period ended September 30, 2024 and for the financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 prepared in accordance with Indian GAAP, the Companies Act and Restated in accordance with SEBI (ICDR) Regulations. For details, refer chapter titled “**Financial Statements as Restated**” beginning on page no 178 of this draft prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS) as adjusted for changes in capital for last 3 years:

Earnings Per Share as per the Company’s Restated Financial Information

| Particulars | Basic & Diluted EPS (Rs.) | | Weight |
|---|-------------------------------------|------------------------------|--------|
| | With Retrospective Effect of Bonus# | As per Restated (Book Value) | |
| Year ended March 31, 2022 | 1.10 | 658.18 | 1 |
| Year ended March 31, 2023 | 3.24 | 1,948.20 | 2 |
| Year ended March 31, 2024 | 9.18 | 5,519.55 | 3 |
| Weighted Average | 5.86 | 3,518.87 | |
| For six months period ended on September 30, 2024 (Not annualized) | 2.79 | 1,676.12 | |

a. **Basic & Diluted EPS:** EPS has been calculated as PAT/Weighted average no. of shares outstanding for particular period/year in accordance with Accounting Standard 20 (AS-20) ‘Earnings per Share’ issued by ICAI.

b. **Weighted average:** Aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]

On 16-10-2024 i.e., after Restated Period, Company has allotted 1,11,37,200 Equity Shares as a Bonus Issue in the ratio of (600:1) i.e., Six Hundred Equity Share for every One fully paid-up equity share held by existing shareholders of Face Value Rs. 10/- each, for which ratio has been calculated separately giving retrospective effect of Bonus allotment.

(For further details, please refer chapter “**Capital Structure**” and “**Financial statement as Restated**” beginning from page no. 58 and 178 respectively of this draft prospectus.)

2. Price to Earning (P/E) Ratio in relation to the Issue Price of ₹72/- per equity share of face value of Rs. 10/- each

| Particulars | P/E Ratio | |
|---|-------------------------------------|------------------------------|
| | With Retrospective Effect of Bonus# | As per Restated (Book Value) |
| P/E ratio based on the Basic & Diluted EPS as on March 31, 2024 | 7.84 | 0.01 |
| <i>P/E ratio based on the Weighted Average EPS</i> | 12.29 | 0.02 |
| <i>P/E ratio based on the Basic & Diluted EPS for the period ended September 30, 2024 (Not annualized)</i> | 25.82 | 0.04 |

Notes: The P/E Ratio of our company has been computed by dividing Issue Price with EPS

Industry Price to Earning (P/E)

| Particulars | P/E Ratio |
|-----------------------|--------------|
| Highest | 106.14 |
| Lowest | 45.75 |
| <i>Average</i> | 75.95 |

3. Average Return on Net Worth (RoNW) for last 3 years as per the Company's Restated Financial Information

| Particulars | RONW in % | Weight |
|--|---------------|--------|
| Year ended March 31, 2022 | 131.68% | 1 |
| Year ended March 31, 2023 | 79.58% | 2 |
| Year ended March 31, 2024 | 69.28% | 3 |
| <i>Weighted Average</i> | 83.11% | |
| <i>For the six months period ended on September 30, 2024 (Not annualized)</i> | 17.35% | |

Weighted average: Aggregate of year-wise weighted Return on Net Worth divided by the aggregate of weights i.e. $[(Return\ on\ Net\ Worth \times Weight)\ for\ each\ year] / [Total\ of\ weights]$

Note: Net worth has been computed by aggregating share capital and reserves and surplus as per the audited restated financial information. Revaluation reserve or miscellaneous expenditure (to the extent not written off) is not considered for calculating Reserve & Surplus.

4. Net Assets Value:

| Particulars | With Retrospective Effect of Bonus# | As per Restated (Book Value) |
|---|-------------------------------------|------------------------------|
| Net Asset Value per Equity Share as of March 31, 2024 | 13.26 | 7,967.58 |
| <i>For the period ended on September 30, 2024 (Not annualized)</i> | 16.07 | 9,658.64 |
| <i>Net Asset Value per Equity Share after the Issue</i> | 31.37 | |
| <i>Issue Price per equity share</i> | 72.00 | |

Note: Net Asset Value per equity share represents "total assets less total liability (excluding deferred tax) as per the restated financial information as divided by the number of equities shares outstanding as at the end of year/period.

5. Comparison with other listed companies/Industry peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only.

| Name of Company | CMP (in ₹)** | Face Value (in ₹) | EPS Basic | NAV per Equity Share | P/E Ratio | RONW (%) | Turnover (₹ in Lakhs) |
|----------------------------------|--------------|-------------------|-----------|----------------------|-----------|----------|-----------------------|
| Peer Group** (Standalone) | | | | | | | |
| Rossari Biotech Limited | 825.75 | 2.00 | 18.05 | 17.38 | 45.75 | 10.37% | 12,029.10 |
| Chembond Chemicals Limited | 571.05 | 5.00 | 5.38 | 182.12 | 106.14 | 2.92% | 5,259.57 |
| | | | | | | | |
| Issuer Company | | | | | | | |
| Satol Chemicals Limited^ | 72.00 | 10.00 | 9.18 | 16.07 | 7.84 | 69.28% | 4,741.27 |

#Considering the nature and size of business of the Company, the peers are not be exactly comparable. Hence a strict comparison is not possible. However, the above companies have been included for broader comparison.

^ Based on full completed financial year ended on March 31, 2024 on Restated basis

*Source for Peer Companies: Annual Reports (figures as on March 31, 2024)

** CMP as on 12/01/2025 for Peer Group and IPO price for Issuer Company

6. Key Operational and Financial Performance Indicators:

Our company considers that KPIs included herein below have a bearing for arriving at the basis for Offer Price. The KPIs disclosed below have been used historically by the Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our **Audit Committee** dated **13/01/2025** and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by **M/s. Vijay Darji and Associates**, Chartered Accountants, by their certificate dated **13/01/2025**.

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. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key metrics like revenue growth, EBIDTA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basis for evaluating the overall performance of our Company

6.1 Financial KPIs of our Company:

| Particulars | ₹ in lakhs except percentage and ratios | | | |
|--|---|------------|------------|------------|
| | 30-09-2024* | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Total Income | 2,962.39 | 4742.42 | 4227.76 | 1710.39 |
| Growth (%) | -37.53% | 12.17% | 147.18% | N.A. |
| Revenue from Operation | 2,962.39 | 4741.27 | 4226.34 | 1709.74 |
| EBITDA (Operating Profit) | 409.51 | 741.49 | 300.36 | 100.53 |
| EBITDA Margin (%) | 13.82% | 15.64% | 7.11% | 5.88% |
| PAT | 311.12 | 551.95 | 194.82 | 65.82 |
| Growth (%) | -43.63% | 183.32% | 195.99% | #DIV/0! |
| PAT Margin (%) (PAT/Revenue from Operation) | 10.50% | 11.64% | 4.61% | N.A. |
| EPS (Basic & Diluted) - (As per end of Restated period) | 1,676.12 | 5519.55 | 1948.20 | 658.19 |
| EPS (Basic & Diluted) - (Post Bonus with retrospective effect) | 2.79 | 9.18 | 3.24 | 1.10 |
| Total Borrowings | 326.48 | 1,030.85 | 1,063.15 | 1,113.59 |
| Total Net Worth (TNW) | 1,792.84 | 796.76 | 244.80 | 49.98 |
| RONW (%) | 17.35% | 69.28% | 79.58% | 131.68% |
| ROCE (%) | 21.59% | 47.07% | 28.27% | 10.68% |
| Debt Equity Ratio (Total Borrowing/TNW) | 0.18 | 1.29 | 4.34 | 22.28 |

* Data as on 30/09/2024 are for six months only and not annualised, so it's not truly comparable.

The above KPIs of our Company have also been disclosed, along with other key financial and operating metrics, in “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 111 and 214 respectively of Draft Prospectus. All such KPIs have been defined consistently and precisely in “**Definitions and Abbreviations**” on page 2 of Draft Prospectus.

6.2 Comparison of KPIs with listed Industry Peers:

Considering the nature and product manufactured by our company, turnover and size of business of our Company, the peer companies mentioned below are not strictly comparable. However, the below mentioned listed company have been taken into consideration as peer comparative listed companies and has been included for broad comparison only.

₹ in lakhs except percentage and ratios

| Particulars | Rossari Biotech Limited - Standalone | | |
|---|--------------------------------------|------------|------------|
| | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Total Income | 12,096.81 | 9,787.70 | 10,855.44 |
| Growth (%) | 23.59% | -9.84% | 55.05% |
| Revenue from Operation | 12,029.10 | 9,751.72 | 10,728.44 |
| EBITDA (Operating Profit) | 1,612.54 | 1,126.48 | 1,227.93 |
| EBITDA Margin (%) | 13.41% | 11.55% | 11.45% |
| PAT | 996.33 | 717.27 | 794.88 |
| Growth (%) | 38.91% | -9.76% | 0.33% |
| PAT Margin (%) | 8.28% | 7.36% | 7.41% |
| EPS (Basic & Diluted) | 18.05 | 12.95 | 14.49 |
| Total Borrowings | 550.46 | 649.16 | - |
| Total Net Worth (TNW) | 9,603.40 | 8,586.96 | 7,845.24 |
| RONW (%) | 10.37% | 8.35% | 10.13% |
| Debt Equity Ratio (Total Borrowing/TNW) | 0.06 | 0.08 | - |

₹ in lakhs except percentage and ratios

| Particulars | Chembond Chemicals Limited - Standalone | | |
|---|---|------------|------------|
| | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Total Income | 6,423.68 | 5,627.80 | 5,574.44 |
| Growth (%) | 14.14% | 0.96% | 3.33% |
| Revenue from Operation | 5,259.57 | 5,086.45 | 4,616.64 |
| EBITDA (Operating Profit) | (27.61) | 164.37 | 409.63 |
| EBITDA Margin (%) | -0.52% | 3.23% | 8.87% |
| PAT | 714.45 | 351.61 | 877.98 |
| Growth (%) | 103.19% | -59.95% | -9.11% |
| PAT Margin (%) | 13.58% | 6.91% | 19.02% |
| EPS (Basic & Diluted) | 5.38 | 2.94 | 6.53 |
| Total Borrowings | - | - | - |
| Total Net Worth (TNW) | 24,491.46 | 24,180.46 | 24,501.26 |
| RONW (%) | 2.92% | 1.45% | 3.58% |
| Debt Equity Ratio (Total Borrowing/TNW) | - | - | - |

Source: All the financial information for listed industry peer mentioned above is sourced from the regulatory filings made by aforesaid companies to stock exchanges for the respective year/ period to compute the corresponding financial ratios.

Explanation for the Key Performance Indicators

1. Total Income means Revenue from Operations and Other Incomes as appeared in the Restated Financial Statements;
2. Total Income Growth (%) is calculated as a percentage of Total Income of the relevant period minus Total Income of the preceding period, divided by Total Income of the preceding period.
3. Revenue from operations means Revenue from Operations as appearing in the Restated Financial Statements;
4. EBITDA (operating profit) means Earnings from operation before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, depreciation and amortisation and impairment expense and reducing other income;
5. EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations;
6. PAT represents total profit after tax for the year / period;

7. PAT Growth (%) is calculated as a percentage of PAT of the relevant period minus PAT of the preceding period, divided by PAT of the preceding period.
8. PAT Margin is calculated as PAT divided by revenue from operation;
9. Basic and Diluted EPS = PAT divided by weighted average no. of equity shares outstanding during the year / period, as adjusted for changes in capital due to sub-division of equity shares; For Diluted EPS, the weighted no. of shares shall include the impact of potential convertible securities;
10. Total Borrowings are calculated as total of current and non-current borrowings;
11. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per SEBI ICDR Regulations;
12. "RONW" is calculated Profit after Tax for the period / Net Worth;
13. "ROCE" is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed;
14. Debt Equity Ratio: This is defined as total debt divided by total equity. Total debt is the sum of total current & noncurrent borrowings; total equity means sum of equity share capital and other equity;

Explanation for Key Performance Indicators metrics

Set out below are explanations for how the KPIs listed above have been used by the management historically to analyse, track or monitor the operational and/or financial performance of our Company:

| KPI | Explanation |
|---------------------------|---|
| Total Income | Total income is used by the management to track revenue from operations and other income. |
| Total Income Growth (%) | Total Income growth provides information regarding the growth of the Total Income for the respective period |
| 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 |
| EBITDA (Operating Profit) | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit After Tax (PAT) for the year / period provides information regarding the overall profitability of the business |
| PAT Growth (%) | Profit after tax growth provides information regarding the growth of the operational performance for the respective period |
| PAT Margin (%) | PAT Margin is an indicator of the overall profitability and financial performance of our business |
| EPS (Basic & Diluted) (%) | EPS provide information on per share profitability of our Company which helps us in taking key corporate finance decisions |
| Total Borrowings | Total Borrowings is used by us to track our leverage position on time to time |
| Net Worth | Net worth is used to track the book value and overall value of shareholders' equity |
| RONW | RONW provides how efficiently our Company generates earnings for the equity shareholders of the Company. |
| ROCE | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| Debt Equity Ratio | Debt to Equity Ratio is used to measure the financial leverage of our Company and provides comparison benchmark against peers |

For evaluation of our business, we consider that the KPIs, as presented above, as additional measures to review and assess our financial and operating performance. These KPIs have limitations as analytical tools and presentation of these KPIs should not be considered in isolation or as a substitute for the Restated Financial Information. Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use our operating results and trends and in comparing our financial results with other companies in our industry as it provides consistency and comparability with past financial performance.

7. Weighted Average Cost of Acquisition:

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

Other than as mentioned below, there have been no issuance of Equity Shares or convertible securities, excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of the 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.

| Date of Allotment | No. of Equity Shares | Face Value (in ₹) | Issue Price (in ₹) | Nature/Reason of Allotment | Nature of Consideration | Total Consideration (in ₹) |
|--|----------------------|-------------------|--------------------|---|-------------------------|----------------------------|
| 16-08-2024 | 8,562 | 10/- | 8,000/- | Preferential Issue – Conversion of Loan | Other than Cash | 6,84,96,000 |
| 16/10/2024 | 51,37,200 | 10/- | Nil | Bonus Share on above | N.A. | -- |
| Total | 51,45,762 | | | | | 6,84,96,000 |
| Weighted Average Cost of Acquisition (WACA) per Equity Share after adjustment of Bonus Share# | | | | | | 13.31 |

On 16-10-2024 i.e., after Restated Period, Company has allotted 1,11,37,200 Equity Shares as a Bonus Issue in the ratio of (600:1) i.e., Six Hundred Equity Share for every One fully paid-up equity share. In the table above, only bonus on security allotted on 16/08/2024 has been considered to show the WACA after adjustment of Bonus Share.

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

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

(c) Weighted Average Cost of Acquisition and Offer Price

| Type of Transactions | Weighted average cost of acquisition (₹ per Equity Shares) | Offer Price (i.e. ₹ 72/-) |
|--|--|---------------------------|
| Weighted average cost of acquisition of primary / new issue as per paragraph 7(a) above. | ₹ 13.31 | 5.41 times |
| Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 7(b) above. | N.A.^ | N.A.^ |

^There were no secondary sales / acquisition of shares of shares (equity/ convertible securities) as mentioned in paragraph 8(b) above, in last 18 months from the date of this Draft Prospectus.

- The face value of Equity Shares of our Company is ₹10/- per Equity Share and the Issue Price of ₹72/- per Equity Share is 7.2 times of the face value.
- The Issue Price of ₹72/- is determined by our Company in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, please refer to the section titled “*Risk Factors*”, and chapters titled “*Our Business*” and “*Financial Statements as Restated*” beginning on page no. 22, 111 and 178, respectively of this Draft Prospectus.

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors

M/s. Satol Chemicals Limited

(Formerly known as Satol Chemicals Private Limited)

102, 1st Floor, Shreemad Gokul Behind MCF Club,

Off Devidas Lane, Borivali (West), Mumbai - 400092

Dear Sir/Madam,

Sub: Statement of possible Special tax benefit ('the Statement') available to M/s Satol Chemicals Limited (erstwhile known as M/s Satol Chemicals Private Limited) and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')

Ref: Proposed Initial Public Offering ("IPO") of Equity Shares by M/s Satol Chemicals Limited ("The Issuer" or "The Company")

We refer to the proposed initial public offering of equity shares (the "**Offer**") of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "**GST Act**"), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the "**Taxation Laws**") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2025-2026 relevant to the financial year 2024-25 for inclusion in the Draft Prospectus/ Prospectus ("**Offer Document**") for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its Shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met; or
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume Reliance on responsibility to update the views consequent to such changes. The statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company as required under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Prospectus/Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

We also authorise you to deliver a copy of this certificate to SEBI, ROC and the Stock Exchanges or any other regulatory authorities as required by law.

**Thanking You,
Yours faithfully,
For Vijay Darji and Associates
Chartered Accountants
Firm’s Registration Number: 118614W**

Sd/-

**CA Vijay Darji
Proprietor
Membership Number: 105197
Place: Mumbai
Date: 13/01/2025
UDIN: 25105197BMIHOH3333**

Annexure to the statement of possible Tax Benefits

A. DIRECT TAXATION

Outlined below are the possible Special tax benefits available to the Company **M/s. Satol Chemicals Limited** (Formerly known as M/s. Satol Chemicals Private Limited) and its shareholders under the Income Tax Act, 1961 (“The Act”) presently forced in India.

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

1. Special Tax Benefits available to the Company under the Act:

Section 115BAB of the Act, as inserted vide the Taxation Laws (Amendment) Act, 2019, provides that domestic company has to opt for a corporate tax rate of 15% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. As company opts for section 115BAB, provisions of Minimum Alternate Tax (‘MAT’) would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company may claim such beneficial tax rate in future years’ subject to giving away any other income-tax benefits under the Act (other than the deduction available under section 80JJAA and 80M of the Act) and fulfilling the then prevailing provisions under the Act.

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business, for three assessment years including the assessment year relevant in which such employment is provided. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

2. Special Tax Benefits available to the shareholders of the Company:

The Shareholders of the Company are not entitled to any special tax benefits under the Act; However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the Act.

- i) **Dividend Income:** Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case the shareholder is a domestic company, deduction under Section 80M of the Income tax act would be available on fulfilling certain conditions.
- ii) **Tax on Long-Term Capital Gain:** As per Section 112A of the Income Tax Act, Long-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares. However, no tax under the said section shall be levied where such capital gains does not exceed INR 1,25,000 in a financial year.
 - (a) On long-term capital gains at the rate of 10% (Ten per cent) for any transfer which takes place before the 23rd day of July, 2024; and
 - (b) On long-term capital gains, at the rate of 12.50% (Twelve and one-half per cent) for any transfer which takes place on or after the 23rd day of July, 2024.

- iii) **Tax on Long-Term Capital Gain:** As per Section 111A of the Income Tax Act, Short-Term Capital Gains arising from transfer of equity shares, shall be taxed as mentioned below-
 - (a) At the rate of 15% (Fifteen per cent) for any transfer which takes place before the 23rd day of July, 2024; and
 - (b) At the rate of 20% (Twenty per cent) for any transfer which takes place on or after the 23rd day of July, 2024.
- iv) **Double Taxation Avoidance Agreement benefit:** In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and fulfilment of other conditions to avail the treaty benefit.

B. INDIRECT TAXATION

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (“**GST law**”), the Customs Act, 1962, Customs Tariff Act, 1975 (“**Customs law**”) and Foreign Trade Policy 2015-2020 (“**FTP**”) (collectively referred as “**Indirect Tax**”).

1. **Special tax benefits available to the Company:**

Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies, which can either be utilised towards the discharge of GST liability in respect of domestic turnover or can seek the refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of services at zero rate on fulfilment of certain conditions. Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act.

There are no special tax benefits available to the Company under GST law.

2. **Special tax benefits available to the shareholders of the Company**

There are no special tax benefits available to the shareholders under the indirect taxes.

Notes:

- a) 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.
- b) The above statement of Direct/Indirect Tax Benefits sets out the special tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- c) This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- d) This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
- e) The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

**Thanking You,
Yours faithfully,
For Vijay Darji and Associates
Chartered Accountants
Firm's Registration Number: 118614W**

Sd/-

**CA Vijay Darji
Proprietor
Membership Number: 105197
Place: Mumbai
Date: 13/01/2025
UDIN: 25105197BMIHOH3333**

SECTION VIII: ABOUT THE COMPANY AND THE INDUSTRY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “www.ibef.org” and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

INDIAN ECONOMY

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 for Q1 2024-25 is estimated at Rs. 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 is estimated at 9.6% 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 second half of FY24. During the period April-September 2025, India’s exports stood at US\$ 211.46 billion, with Engineering Goods (26.57%), Petroleum Products (16.51%) and electronic goods (7.39%) 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.

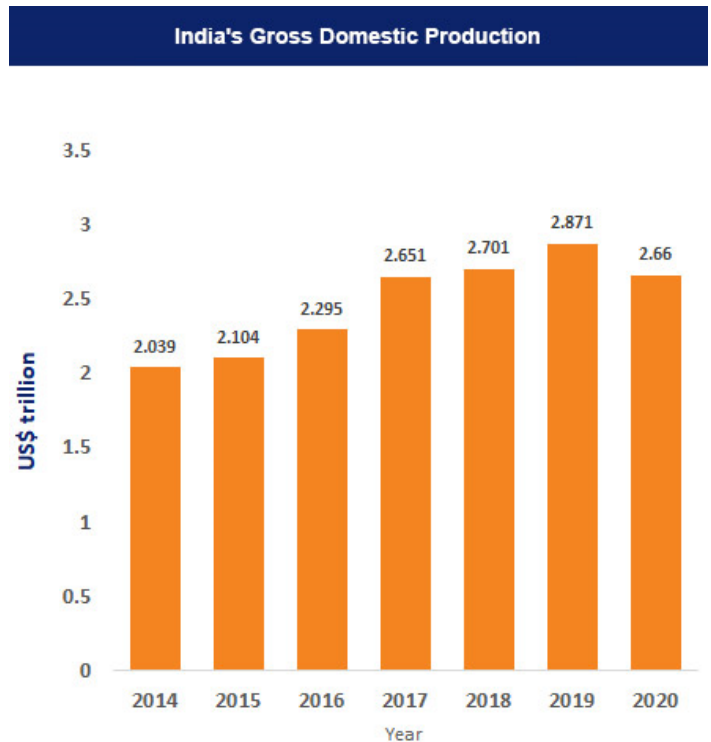
MARKET SIZE

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.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of October 11, 2024, India's foreign exchange reserves stood at US\$ 690.43 billion.
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- In September 2024, the gross Goods and Services Tax (GST) stood at highest monthly revenue collection at Rs. 1.73 lakh crore (US\$ 20.83 billion).
- Between April 2000–June 2024, cumulative FDI equity inflows to India stood at US\$ 1,013.45 billion.
- In August 2024, the overall IIP (Index of Industrial Production) stood at 145.6. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 125.1, 147.1 and 219.3, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.49% (Provisional) for September 2024.
- 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\$ 13.89 billion) in India during January- (up to 15th July) 2024.

- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 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, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (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 'Aatmanirbhar 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 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya 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 crore (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 crore (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 crore (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 crore (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 crore (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 Aatmanirbhar 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 crore (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 crore (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 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs.11 lakh crore (US\$ 133.51 billion) over Rs. 9.48 lakh crore (US\$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

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.

UNION BUDGET 2024-25

Union Budget 2024–25 builds on the vision set out in the previous budgets and provides a blueprint for steering the economy towards a sustained high-growth trajectory. The Union Minister of Finance and Corporate Affairs Ms. Nirmala Sitharaman presented the Union Budget 2024-25 in the Parliament on July 23, 2024.

Key Highlights:

- Revised target for fiscal deficit estimated at 4.9% of GDP for FY25.
- For 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- The net tax receipts are estimated at Rs. 25.83 lakh crore (US\$ 309.23 billion).
- The standard deduction (under the new tax regime) for salaried employees is proposed to be increased from Rs. 50,000 (US\$ 597) to Rs. 75,000 (US\$ 896), providing relief to about four crore salaried individuals and pensioners.
- The exemption limit for capital gains on certain financial assets is proposed to be increased from Rs. 1 lakh (US\$ 1,194) to Rs. 1.25 lakh (US\$ 1,493) per year.
- Capital gains taxation is proposed to be significantly simplified, with short-term gains on certain financial assets attracting a tax rate of 20% instead of 15%.
- Long-term gains on all financial and non-financial assets, on the other hand, will attract a tax rate of 12.5% instead of 10%.
- The deduction of employer contributions towards NPS (under the new tax regime) is proposed to be increased from 10% to 14% of the employee's salary.
- Securities transaction tax (STT) on Futures and Options (F&O) increased to 0.02% and 0.1%.
- Tax deducted at source (TDS) rate on e-commerce has been reduced to 0.1% from 1.0%.
- The finance minister introduced the prime minister's package of 5 schemes and initiatives to facilitate employment, skilling and other opportunities for 4.1 crore youth over a 5-year period with a central outlay of Rs. 2 lakh crore (US\$ 23.94 billion).
- Allocation of Rs. 11.11 lakh crore (US\$ 133.02 billion) towards infrastructure development, which is 3.4% of GDP.
- Allocation of more than Rs. 3 lakh crore (US\$ 35.92 billion) for schemes benefitting women and girls.
- Scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years. Allowance of Rs. 5,000 per month (US\$ 59.75) along with one-time assistance of Rs. 6,000 (US\$ 71.7) through the CSR funds.
- To make urban housing affordable Rs. 2.2 lakh crore (US\$ 26.34 billion) has been allocated.
- Allocation of Rs. 2.66 lakh crore (US\$ 31.78 billion) for rural development projects.
- For agriculture and allied sectors, Rs. 1.52 lakh crore (US\$ 18.16 billion) approved, with a goal to initiate one crore farmers into natural farming over the next two years.
- Bihar development: Investment in road connectivity projects including Patna-Purnea expressway, Buxar-Bhagalpur highway and an additional two-lane bridge over the Ganga in Buxar for Rs. 26,000 crore (US\$ 3.11 billion) along with a new 2,400 MW power plant at Pirpainti costing Rs. 21,400 crore (US\$ 2.56 billion).
- The government will provide financial support of Rs. 15,000 crore (US\$ 1.80 billion) in the current financial year to Andhra Pradesh through the Andhra Pradesh Reorganization Act.
- Through the Accelerated Irrigation Benefit Programme and other sources, the government will provide financial support for projects with estimated cost of Rs. 11,500 crore (US\$ 1.38 billion).
- Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) extended for five years, benefiting over 80 crore people.

- New assessment model for MSME credit: Public sector banks will internally assess MSMEs for credit and develop a new credit assessment model based on digital footprints, a modern alternative to traditional criteria. This approach will also cater to MSMEs without formal accounting systems.
- Mudra Loans limit extended to Rs. 20 lakh (US\$ 23,896) from Rs. 10 lakh (US\$ 11,948) for those who have availed and repaid previous loans.

Manufacturing & Services

- **Support for promotion of MSMEs:** Special attention has been given to MSMEs and manufacturing, particularly labour-intensive manufacturing along with formulating a package covering financing, regulatory changes and technology support for MSMEs to help them grow and compete globally. Below are some of the measures specifically designed for MSMEs:
 - **Credit guarantee scheme for MSMEs in the manufacturing sector:** A credit guarantee scheme will be introduced for MSMEs to obtain term loans for machinery and equipment purchase without collateral or third-party guarantee. The scheme will pool credit risks, with a self-financing guarantee fund providing cover up to Rs. 100 crore (US\$ 11.97 million) per applicant, even for larger loan amounts. Borrowers will pay upfront and annual guarantee fees.
 - **New assessment model for MSME credit:** Public sector banks will internally assess MSMEs for credit and develop a new credit assessment model based on digital footprints, a modern alternative to traditional criteria. This approach will also cater to MSMEs without formal accounting systems.
 - **Credit support to MSMEs during stress period:** A new mechanism will support MSMEs in accessing credit during their stress period in the 'special mention account' (SMA) stage. Government-backed guarantees will ensure credit availability to prevent MSMEs from entering the non-performing asset (NPA) stage.
 - **Mudra loans:** The limit of Mudra loans will be enhanced to Rs. 20 lakh (US\$ 23,896) from the current Rs. 10 lakh (US\$ 11,948) for those entrepreneurs who have availed and successfully repaid previous loans under the 'Tarun' category.
 - **Enhanced scope for mandatory onboarding in TReDS:** The turnover threshold for mandatory onboarding on the TReDS platform will be reduced from Rs. 500 crore (US\$ 59.86 million) to Rs. 250 crore (US\$ 29.93 million), adding 22 CPSEs and 7,000 companies. Medium enterprises will also be included as suppliers.
 - **SIDBI branches in MSME clusters:** SIDBI will open new branches to serve all major MSME clusters within 3 years, providing direct credit. By opening 24 branches this year, the service coverage will expand to 168 out of 242 major clusters.
 - **MSME units for food irradiation, quality & safety testing:** Financial support for setting up of 50 multi-product food irradiation units in the MSME sector will be provided. Setting up of 100 food quality and safety testing labs with NABL accreditation will be facilitated.
 - **E-commerce export hubs:** To enable MSMEs and traditional artisans to sell their products in international markets, E-commerce export hubs will be set up in the public private-partnership (PPP) mode.
- **Measures for promotion of manufacturing services:**
 - **Internship in top companies:** A scheme will provide internship opportunities in 500 top companies to 1 crore youth over 5 years. Participants will receive a monthly allowance of Rs. 5,000 and one-time assistance of Rs. 6,000. Companies will bear the training cost, and 10% of the internship cost can be allocated from their CSR funds.
 - **Industrial parks:** The government will facilitate the development of investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities, in partnership with the states and private sector, by better using town planning schemes. A total of 12 industrial parks under the National Industrial Corridor Development Programme will also be sanctioned.

- **Rental housing:** Rental housing with dormitory-type accommodation for industrial workers will be facilitated in the PPP mode with viability gap funding (VGF) support and commitment from anchor industries.
- **Shipping industry:** Ownership, leasing and flagging reforms will be implemented to improve the share of the Indian shipping industry and generate more employment.
- **Critical Mineral Mission:** Setting up of the Critical Mineral Mission for domestic production, recycling of critical minerals and overseas acquisition of critical mineral assets.
- **Offshore mining of minerals:** The government will launch the auction of the first tranche of offshore blocks for mining, building on the exploration already carried out.
- **Digital public infrastructure (DPI) applications:** Development of DPI applications at the population scale is proposed to drive productivity and innovation in the services sector. Applications will cover credit, e-commerce, education, health, law and justice, logistics, MSME, services delivery and urban governance.
- **Integrated technology platform for IBC eco-system:** An integrated technology platform will be set up for improving the outcomes under the Insolvency and Bankruptcy Code (IBC) for achieving consistency, transparency, timely processing and better oversight for all stakeholders.
- **Voluntary closure of LLPs:** The services of the Centre for Processing Accelerated Corporate Exit (C-PACE) will be extended for the voluntary closure of LLPs to reduce the closure time.
- **National Company Law Tribunals:** The IBC has resolved 1,000+ companies, recovering over Rs. 3.3 lakh crore (US\$ 39.51 billion) for creditors. A total of 28,000 cases involving Rs. 10 lakh crore (US\$ 119.72 billion) have been disposed of. Reforms will be made to speed up insolvency resolution, including establishing additional tribunals to exclusively handle the Companies Act cases.

MANUFACTURING SECTOR IN INDIA

INTRODUCTION

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.

Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry. The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.

India's manufacturing sector reached a 16-year high in March, with the HSBC Manufacturing Purchasing Managers' Index (PMI) rising to 59.1, driven by strong increases in output, new orders, and job creation across various goods sectors.

India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub.

With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

India now has the physical and digital infrastructure to raise the share of the manufacturing sector in the economy and make a realistic bid to be an important player in global supply chains.

A globally competitive manufacturing sector is India's greatest potential to drive economic growth and job creation this decade. Due to factors like power growth, long-term employment prospects, and skill routes for millions of people, India has a significant potential to engage in international markets. Several factors contribute to their potential. First off, these value chains are well positioned to benefit from India's advantages in terms of raw materials, industrial expertise, and entrepreneurship.

Second, they can take advantage of four market opportunities: expanding exports, localising imports, internal demand, and contract manufacturing. With digital transformation being a crucial component in achieving an advantage in this fiercely competitive industry, technology has today sparked creativity. Manufacturing sector in India is gradually shifting to a more automated and process driven manufacturing which is expected to increase the efficiency and boost production of the manufacturing industry.

India is gradually progressing on the road to Industry 4.0 through the Government of India's initiatives like the National Manufacturing Policy which aims to increase the share of manufacturing in GDP to 25 percent by 2025 and the PLI scheme for manufacturing which was launched in 2022 to develop the core manufacturing sector at par with global manufacturing standards.

FDI in India's manufacturing sector has reached US\$ 165.1 billion, a 69% increase over the past decade, driven by production-linked incentive (PLI) schemes. In the last five years, total FDI inflows amounted to US\$ 383.5 billion.

India is planning to offer incentives of up to Rs. 18,000 crore (US\$ 2.2 billion) to spur local manufacturing in six new sectors including chemicals, shipping containers, and inputs for vaccines.

India's mobile phone manufacturing industry anticipates creating 150,000 to 250,000 direct and indirect jobs within the next 12-16 months, driven by government incentives, and increased global demand. Major players like Apple and its contract manufacturers, along with Dixon Technologies, are expanding their workforce to meet growing production needs.

MARKET SIZE

Manufacturing exports have registered their highest ever annual exports of US\$ 447.46 billion with 6.03% growth during FY23 surpassing the previous year (FY22) record exports of US\$ 422 billion. By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%.

India's gross value added (GVA) at current prices was estimated at US\$ 770.08 billion as per the quarterly estimates of the first quarter of FY24.

India's e-commerce exports are projected to grow from US\$ 1 billion to US\$ 400 billion annually by 2030, aiding in achieving US\$ 2 trillion in total exports.

India's smartphone exports surged by 42% in FY24, reaching US\$ 15.6 billion, with the US as the top destination, reflecting the success of the Production-Linked Incentive (PLI) scheme in boosting the sector.

As per the survey conducted by Reserve Bank of India, capacity utilisation in India's manufacturing sector stood at 76.8% in the third quarter of FY24, indicating a significant recovery in the sector.

India's GDP surged by 8.4% in the October-December quarter, surpassing expectations.

GDP growth was driven by robust performances in the manufacturing and construction sectors, with the manufacturing sector expanding by 11.6% annually and the construction sector growing by 9.5%.

India's overall exports during the April-June period of 2024-25 are estimated to be US\$ 109.11 billion, reflecting a positive growth of 7% over the April-June period of 2023-24.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025-26.

India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy. As per the economic survey reports, estimated employment in manufacturing sector in India was 5.7 crore in 2017-18, 6.12 crore in 2018-19 which was further increased to 6.24 crore in 2019-20. India's display panel market is estimated to grow from ~US\$ 7 billion in 2021 to US\$ 15 billion in 2025.

The manufacturing GVA at current prices was estimated at US\$ 110.48 billion in the first quarter of FY24.

INVESTMENT

Some of the major investments and developments in this sector in the recent past are:

- India's defence exports soared by 78% in Q1 FY25, reaching Rs. 6,915 crore (US\$ 828 million). This growth reflects the country's push for self-reliance in defence manufacturing, with total exports hitting a record Rs. 20,915 crore (US\$ 2.51 billion) in FY24, marking a 25% increase from the previous year.

- Sansera Engineering Limited has signed an MoU with the Karnataka government to invest Rs. 2,100 crore (US\$ 251 million) in a new manufacturing facility in Ramanagara, aiming to create 3,500 jobs and enhance production capacity in the automotive and non-automotive sectors over the next three to five years.
- Google is set to begin manufacturing Pixel smartphones in India, specifically in Tamil Nadu, in collaboration with Foxconn and Dixon Technologies. This production aims to cater primarily to export markets in Europe and the US, with operations expected to start in September 2024. The initiative comes as Google prepares to launch its Pixel 9 series in India on August 13, leveraging India's Production-Linked Incentive (PLI) scheme to enhance manufacturing scalability.
- Maruti Suzuki has begun exporting the Made-in-India Fronx compact SUV to Japan, marking its first SUV launch in the Japanese market. Manufactured at its Gujarat plant, the first shipment of over 1,600 vehicles has already left for Japan, with the official launch planned for autumn 2024.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), India received a total foreign direct investment (FDI) inflow of US\$ 48.03 billion in FY23.
- Between April 2000-March 2024:
 - The automobile sector received FDI inflows of US\$ 36.26 billion.
 - The chemical manufacturing sector (excluding fertilisers) received FDI inflows worth US\$ 22.14 billion.
 - The drug and pharmaceutical manufacturing sector received FDI inflows worth US\$ 22.52 billion.
 - The Food Processing Industries received FDI inflows worth US\$ 12.58 billion.
- India's manufacturing sector activity continued to expand in November 2023, with the S&P Global Purchasing Managers' Index (PMI) reaching 56.
- During the financial year 2022-23, around 1.39 crore net members were added by EPFO with an increase of 13.22% compared to the previous financial year 2021-22 wherein EPFO had added approximately 1.22 crore net members.
- Mobile phone exports from India nearly doubled to reach US\$ 5.5 billion, by August in FY24, with the government anticipating mobile phone exports worth Rs. 1 trillion (US\$ 12 billion) this year.
- In February 2024, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.9.
- In FY23, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.6.
- For the month of January 2024, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 153.0. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2024 stand at 144.1, 150.1 and 197.1, respectively.
- The Index of Industrial Production (IIP) from April-January 2024 stood at 143.4.
- The combined index of eight core industries stood at 150.3 for April-November 2023 against 139.4 for April-November 2022.
- The cumulative index of eight core industries increased by 8.6% during April-October 2023-24 over the corresponding period of the previous year.
- India's manufacturing sector, driven by pharmaceuticals, motor vehicles, and cement, demonstrated resilience despite weak global demand in July-August 2023. PMI remained robust, reflecting domestic economic strength. Capacity utilization in manufacturing trended upwards, signalling positive investment prospects. RBI MPC maintained policy repo rate to control inflation.
- India aims for US\$ 100 billion annual foreign direct investment (FDI) in the coming years, according to Union Minister of Information and Broadcasting Mr. Ashwini Vaishnaw, as part of the government's strategy focused on infrastructure investment, social upliftment, manufacturing growth, and simplification of business processes, amidst projections of consistent 6-8% economic growth over the next decade.

- At the aggregate level, the capacity utilization (CU) in the manufacturing sector increased to 74.0% in Q2:2023-24 from 73.6% in the previous quarter.
- In FY23, the export of the top 6 major commodities (Engineering goods, Petroleum products, Gems and Jewellery, Organic and Inorganic chemicals, and Drugs and Pharmaceuticals) stood at US\$ 295.21 billion.
- In FY24, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 59.1.
- India's manufacturing industry witnessed its fastest expansion in 16 years in March, with the HSBC final India Manufacturing Purchasing Managers' Index (PMI) soaring to 59.1, the highest since February 2008. This surge was fuelled by increased demand, resulting in notable improvements in new orders, output, input stocks, and job creation, as reported by S&P Global.
- In May 2024, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 57.5.
- India's overall exports during the April-February period of 2023-24 are estimated to be US\$ 709.81 billion, reflecting a marginal positive growth of 0.83% over the April-February period of 2022-23. In February 2024 alone, exports stood at US\$ 73.55 billion, showing a growth of 14.20% compared to the same month in the previous year.
- The Employees' Provident Fund Organization (EPFO) added 8.41 lakh people in December 2023.
- The latest payroll data shows a significant increase in female workforce participation. Out of 8.41 lakh new members, around 2.09 lakh are female, the highest in three months. This marks a 7.57% increase from November 2023. Additionally, the net female member addition stood at approximately 2.90 lakh, up by about 3.54% from the previous month.
- Amazon Inc's cloud computing division, Amazon Web Services, became the latest company to invest in India. The company has planned to invest US\$13 billion (over Rs 1 lakh crore) in India by 2030 to build its cloud infrastructure and create thousands of jobs.
- For the month of April 2024, the Quick Estimates of Index of Industrial Production (IIP) with base 2011-12 stands at 147.7. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of January 2024 stand at 130.8, 144.2, and 212.0, respectively.
- On February 29, 2024, India approved the construction of three semiconductor plants with investments exceeding \$15 billion. These plants aim to establish India as a major chip hub, with Tata Electronics, Tata Semiconductor Assembly and Test Pvt Ltd, and CG Power spearheading the projects in Gujarat and Assam. This initiative aligns with India's goal to bolster its semiconductor ecosystem and create numerous advanced technology jobs.
- In October 2021, information technology major Zoho, announced that it will invest Rs. 50–100 crore (US\$ 6.7-13.4 million) and form a new company, that will focus on research and development (R&D) in the manufacturing sector.
- India's GDP surged in the January-March quarter, growing 7.8%, exceeding the 6.7% forecast. Manufacturing rebounded by 9.9%, contrasting with last year's contraction. GDP for the fiscal year hit 8.2%. IMF projects India as the world's fourth-largest economy by 2025.
- India's gross value added (GVA) at current prices was estimated at US\$ 506.35 billion as per the quarterly estimates of the fourth quarter of FY24.
- In August 2021, Wistron Corp. collaborated with India's Optimus Electronics to manufacture products such as laptops and smartphones, giving a major boost to the 'Make in India' initiative and electronics manufacturing in the country.
- In April 2021, Samsung started manufacturing mobile display panels at its Noida plant and plans to ramp up manufacturing IT display panels soon.
 - Samsung Display Noida, which has invested Rs. 4,825 crore (US\$ 650.42 million) to move its mobile and IT display manufacturing plant from China to Uttar Pradesh, has received special incentives from the state government.
- In April 2021, Bharti Enterprises Ltd., and Dixon Technologies (India) Ltd., formed a joint venture to take advantage of the government's PLI scheme for the manufacturing of telecom and networking products.

GOVERNMENT INITIATIVES

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- In the Interim Union Budget 2024-2025:
 - In the interim budget 2024, the allocation for the Production Linked Incentive (PLI) Scheme for various sectors saw a substantial increase, with notable examples including a 360% rise to Rs 6,903 crore (US\$ 830 million) for the Semiconductors and Display Manufacturing Ecosystem and a 623% surge to Rs 3,500 crore (US\$ 421 million) for the Automobile sector.
 - In the interim budget 2024, there was commendable fiscal responsibility demonstrated alongside significant investments in infrastructure, including emphasis on affordable housing, clean energy, and technological advancement. Additionally, the budget allocated funds for the creation of a Rs 1-lakh crore (US\$ 12 billion) innovation fund for sunrise domains, providing a substantial boost for the startup industry. Moreover, there was a notable focus on promoting the shift to electric vehicles (EV) through the expansion of EV charging networks, thereby offering opportunities for small vendors in manufacturing and maintenance.
 - In the Interim Union Budget 2024-25, the Ministry of Defence has been allocated Rs. 621,541 crore (US\$ 74.78 billion), marking a significant increase of approximately 4.72% from the previous allocation of Rs. 593,538 crore (US\$ 71.41 billion).
- Union Minister of Education and Skill Development & Entrepreneurship, Mr. Dharmendra Pradhan inaugurates Rashtriya Udyamita Vikas Pariyojana under Skill India Mission, empowering PM SVANidhi beneficiaries with comprehensive 22-week entrepreneurship training, including theoretical and practical components, in collaboration with Flipkart and focusing on 40% women participation.
- Semiconductor associations IESA and SEMI signed a Memorandum of Understanding (MoU) in Bengaluru to establish India as a global manufacturing hub, focusing on talent development, policies, design, skilling, research, academia, and supply chains, leveraging SEMI's international network and IESA's expertise.
- Under the Skill India mission, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has trained over 1.40 crore candidates since 2015, as per Skill India Digital data until December 13, 2023. Notably, in the Short-term Training (STT) program, 42% of certified candidates found placement opportunities, with 24.39 lakh candidates successfully placed out of 57.42 lakh certified.
- In the Union Budget 2023-24:
 - Startups incorporated within a time-period and meeting other conditions can deduct up to 100% of their profits; the end of this period has been extended from March 31, 2023, to March 31, 2024. In addition, the period within which losses of startups may be carried forward has been extended from seven to ten years.
 - As per the Union Budget 2023 – 24, the income tax rate for new co-operative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus 10% surcharge).
 - The upper limit on turnover for MSMEs to be eligible for presumptive taxation has been raised from Rs. 2 crore (US\$ 2,43,044) to Rs. 3 crore (US\$ 3,64,528). The upper limit on gross receipts for professionals eligible for presumptive taxation has been raised from Rs. 50 lakh (US\$ 60,754) to Rs. 75 lakh (US\$ 91,132).
 - Expenditure on fertilizer subsidy is estimated at Rs. 1,75,100 crore (US\$ 21.2 billion) in 2023-24. This is a decrease of Rs. 50,120 crore (US\$ 6.09 billion) (22.3%) from the revised estimate of 2022-23. Fertilizer subsidy for 2022-23 was increased substantially in response to a sharp increase in international prices of raw materials used in the manufacturing of fertilizers.
 - The Centre will facilitate one crore farmers to adopt natural farming. For this, 10,000 Bio-Input Resource Centres will be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.

- To avoid cascading of taxes on blended compressed natural gas, excise duty on GST-paid compressed biogas contained in it has been exempted from excise duty. Customs duty exemption has been extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.
- To further deepen domestic value addition in manufacture of mobile phones, the finance minister announced relief in customs duty on import of certain parts and inputs like camera lens. The concessional duty on lithium-ion cells for batteries will continue for another year. Basic customs duty on parts of open cells of TV panels has been reduced to 2.5%. The Budget also proposes changes in the basic customs duty to rectify inversion of duty structure and encourage manufacturing of electrical kitchen chimneys.
- Basic customs duty on seeds used in the manufacture of Lab Grown Diamonds has also been reduced.
- Ministry of Defence has set a target of achieving a turnover of US\$ 25 billion in aerospace and defence Manufacturing by 2025, which includes US\$ 5 billion exports. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.
- A new category of capital procurement ‘Buy {Indian-IDD (Indigenously Designed, Developed and Manufactured)}’ has been introduced in Defence Procurement Procedure (DPP)-2016.
- By 2030, the Indian government expects the electronics manufacturing sector to be worth US\$ 300 billion.
- Initiatives like Make in India, Digital India and Startup India have given the much-needed thrust to the Electronics System Design and Manufacturing (ESDM) sector in India.
- Moreover, the government’s endeavours such as Modified Special Incentive Scheme (M-SIPS), Electronics Manufacturing Clusters, Electronics Development Fund and National Policy on Electronics 2019 (NPE 2019) have been a huge success.
- The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECES) has been notified with an aim to strengthen the value chain for the manufacturing of electronic products in India.
- In the Union Budget 2022-23:
 - Ministry of Defence was allocated Rs. 525,166 crore (US\$ 67.66 billion)
 - The government allocated Rs. 2,403 crore (US\$ 315 million) for Promotion of Electronics and IT Hardware Manufacturing.
- The PLI for semiconductor manufacturing is set at Rs. 760 billion (US\$ 9.71 billion), with the goal of making India one of the world’s major producers of this crucial component.
- The government approved a PLI scheme for 16 plants for key starting materials (KSMs)/drug intermediates and active pharmaceutical ingredients (APIs). The establishment of these 16 plants would result in a total investment of Rs. 348.70 crore (US\$ 47.01 million) and generation of ~3,042 jobs. The commercial development of these plants is expected to begin by April 2023.
- In September 2022, the National Logistics Policy was launched by Prime Minister Mr. Narendra Modi which ensures quick last mile delivery, ends transport-related challenges.
- In November 2021, the Experts’ Advisory Committee (EAC) of the Department for Promotion of Industry and Internal Trade approved Rs. 3 crore (US\$ 403,293.54) for the Atal Incubation Centre (AIC), Pondicherry Engineering College Foundation (PECF), under the Start-up India Seed Fund scheme.
- In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments/products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion).
- India outlined a plan in August 2021 to reach its goal of US\$ 1 trillion in manufactured goods exports.
- In July 2021, the government launched six technology innovation platforms to develop technologies and thereby, boost the manufacturing sector in India to compete globally.

- To propagate Make in India, in July 2021, the Defence Ministry issued a tender of Rs. 50,000 crore (US\$ 6.7 billion) for building six conventional submarines under Project-75 India.
- In May 2021, the government approved a PLI scheme worth Rs. 18,000 crore (US\$ 2.47 billion) for production of advanced chemical cell (ACC) batteries; this is expected to attract investments worth Rs. 45,000 crore (US\$ 6.18 billion) in the country, and further boost capacity in core component technology and make India a clean energy global hub.
- In India, the market for grain-oriented electrical steel sheet manufacturing is witnessing high demand from power transformer producers, due to the rising demand for electric power and increasing adoption of renewable energy in the country.
- The Mega Investment Textiles Parks (MITRA) scheme to build world-class infrastructure will enable global industry champions to be created, benefiting from economies of scale and agglomeration. Seven Textile Parks will be established over three years.
- The government proposed to make significant investments in the construction of modern fishing harbours and fish landing centres, covering five major fishing harbours in Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat, along with a multipurpose Seaweed Park in Tamil Nadu. These initiatives are expected to improve exports from the textiles and marine sectors.
- The 'Operation Green' scheme of the Ministry of the Food Processing Industry, which was limited to onions, potatoes, and tomatoes, has been expanded to 22 perishable products to encourage exports from the agricultural sector. This will facilitate infrastructure projects for horticulture products.

ROAD AHEAD

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury, and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country. The manufacturing sector of India has the potential to reach US\$ 1 trillion by 2025. The implementation of the Goods and Services Tax (GST) will make India a common market with a GDP of US\$ 3.4 trillion along with a population of 1.48 billion people, which will be a big draw for investors. The Indian Cellular and Electronics Association (ICEA) predicts that India has the potential to scale up its cumulative laptop and tablet manufacturing capacity to US\$ 100 billion by 2025 through policy interventions.

One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation.

The corridors would further assist in integrating, monitoring, and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

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. The Indian chemical industry is currently valued at US\$ 220 billion and is expected to reach US\$ 300 billion by 2030 and US\$ 1 trillion by 2040. This industry remains an active hub of opportunities, even in an environment of global uncertainty.

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. From April-May 2024, the export of agrochemicals was US\$ 661.18 million, dyes were US\$ 379.61 million and the other dye intermediates were US\$ 27.87 million. 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).

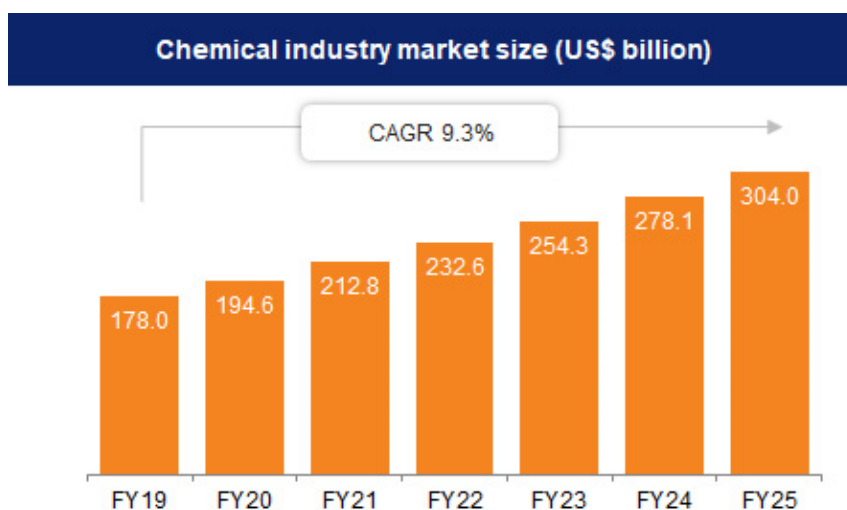
From April 2023 to December 2023, India's dye exports (Dyes and Dye Intermediates) totalled US\$ 1.69 billion.

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 is worth US\$ 220 billion currently, is anticipated to grow to US\$ 300 billion by 2030 and US\$ 1 trillion by 2040. The demand for chemicals is expected to expand by 9% per annum by 2025.

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:

- Exports of Organic and Inorganic Chemicals reached US\$ 4.78 Billion in April-May 2024.
- Imports of organic chemicals were US\$ 2.69 billion and inorganic chemicals US\$ 1.09 billion from April 2024 to May 2024.
- From April 2024 to May 2024, exports of castor oil, essential oil, and cosmetics and toiletries stood at US\$ 765.5 million.
- Major chemical production reached 949.5 million metric tonnes (MMT) in May 2024, while petrochemical production reached 1,820.1 MMT. In May 2024, production levels of various chemicals were as follows: Soda Ash: 250.47 MMT, Caustic Soda: 301.11 MMT, Liquid Chlorine: 212.08 MMT, Formaldehyde: 28.04MMT, Pesticides and Insecticides: 25.07 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 the chemical industry as a key growth element and is 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 intends 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 fertilizers) reached US\$ 22.146 billion between April 2000-March 2024.
- 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 Rs. 17,317 crore (US\$ 2.09 billion) 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.

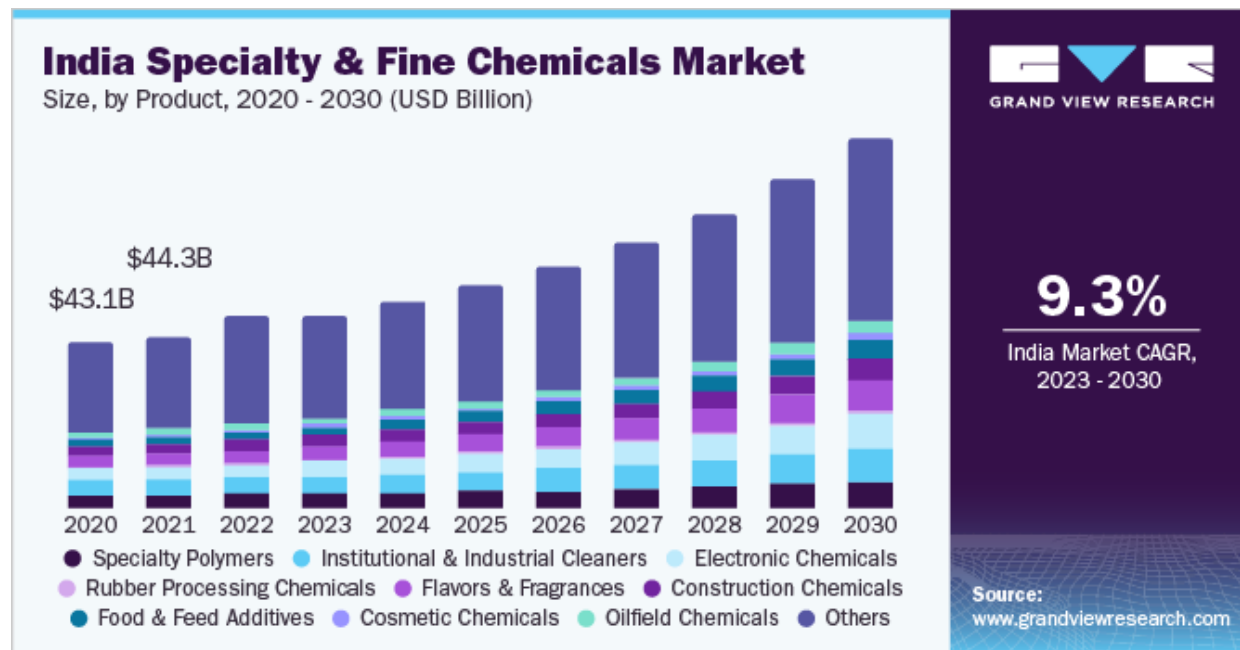
Note: The conversion rate used for June 2024 is Rs. 1 = US\$ 0.012

References: RBSA Advisors, Department of Chemicals and Petrochemicals, India Chem report 2020, Dyestuffs Manufacturers Association of India, Union Budget 2023-24, Interim Budget 2024-25

Source: www.ibef.org

INDIAN MARKET OUTLOOK FOR SPECIALITY CHEMICALS

The **India specialty & fine chemicals market size** was valued at **USD 46.66 billion in 2022** and is projected to grow at a compound annual growth rate (CAGR) of 9.3% from 2023 to 2030. The easy availability of raw materials required to produce various specialty & fine chemicals, along with the low cost of production and huge availability of workforce, is driving the market growth in the country.



The market witnesses fierce competition due to the presence of numerous international manufacturers such as Evonik Industries AG, Clariant AG, LANXESS, Solvay, The Lubrizol Corporation, BASF SE, and DuPont, along with a few domestic manufacturers such as Aarti Industries Ltd., Jeevan Chemicals Private Limited, Organo Fine Chemicals, Paragon Fine and Specialty Chemicals Pvt. Ltd., and Atul Ltd.

Specialty chemicals consist of products that are of high value but are produced in small volumes. Such products are sold globally based on their functionalities. Fine chemicals are generally used as starting materials for specialty chemicals, especially biopharmaceutical and pharmaceutical products. They are produced and used according to required special applications. Moreover, these products are pressure and temperature sensitive. As such, the production process and the storage conditions of fine chemicals are to be adhered to accordingly.

Specialty chemicals play an important role as raw materials in the production of final products such as paints & coatings, personal care & cosmetics, flavors & fragrances, paper & pulp, and home & industrial surfactants, among others. In other words, these are majorly intermediate products. Some of the most used products in the market are adhesives, food & feed additives, rubber processing additives, and fuel additives, to name a few.

These products are also known as effect chemicals as they are majorly employed based on their functionalities. Moreover, these products come in diverse formulations that make it easy to distinguish their different functions. The interaction between the chemical and physical characteristics of constituents that are used in production has an impact on the effectiveness of these products in different working conditions.

Fine chemicals, on the other hand, are pure, single but complex chemical substances. They are produced in limited volumes in various multifunctional manufacturing facilities. These production facilities use multi-step batch processing methods to get the desired products. These products are used in a variety of end-use applications such as biotechnology and drug development. They are used in the development of products that increase the healthy life expectancy of the masses.

The market is expected to grow significantly in the coming years, owing to the rising population in the country, rapid ongoing industrialization, increasing chemical demand, and flourishing end-use industries in regions such as Europe, Asia Pacific, and North America. The leading manufacturers in India are BASF SE, Dow, Evonik Industries AG, Solvay, Tosoh Corporation, and Atul, among others.

The Asia Pacific region accounts for the largest market share globally for these products. The growth is attributed to the extensive presence of companies manufacturing them on a large scale, especially in countries such as India and China. AJ Chemicals, Atul, Finornic Chemicals, Karnataka Aromas, Para Fine Chem Industries, and Sami-Sabinsa Group are some of the leading manufacturers in the country.

Moreover, the penetration of these products in India is high, owing to the presence of several mature end-use industries in the country. For instance, India is among the major automotive manufacturing countries in the Asia Pacific. The growing utilization of fibers, sealants, paints, and adhesives in the automotive industry of the country is expected to fuel market growth in India in the coming years.

Source: <https://www.grandviewresearch.com/industry-analysis/india-specialty-fine-chemicals-market-report#:~:text=Market%20Size%20%26%20Trends,9.3%25%20from%202023%20to%202030>

GLOBAL SPECIALITY CHEMICAL MARKET SIZE

The global specialty chemicals market size was USD 627.7 billion in 2023 and is projected to grow from USD 721.5 billion in 2024 to USD 1,063.4 billion in 2032 at a CAGR of 5.0% during the forecast period 2024-2032. Moreover, the specialty chemical market size in the U.S. is projected to grow significantly, reaching an estimated value of USD 152.36 billion by 2032, driven by expanding demand for construction chemicals on account of an increase in investments in infrastructure projects.

Specialty chemicals are used by a plethora of manufacturing industries such as textiles, oil and gas, ink additives, construction, food, and cosmetics. The chemical composition and effectiveness of these compounds determine their use. With the world becoming increasingly concerned about health and safety, the growth in sales of industrial and institutional cleaners (I&I), disinfectants, and sanitizers have expanded at a swifter rate than usual. According to a report by The Gulf Petrochemicals and Chemicals Association (GPCA), the demand for hand sanitizers and disinfectants in January 2020 increased by 1,400% compared to December 2019. This demand growth has made specialty chemicals manufacturers to ramp up their production.

Source: <https://www.fortunebusinessinsights.com/specialty-chemicals-market-105517>

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 22 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 title “Risk Factors” and the chapters titled “Restated Financial Statements” and “Management Discussion and Analysis of Financial Conditions and Results of Operations” beginning on page 22, 178 and 214 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 “Satol Chemicals Limited”. Unless stated otherwise, the financial data in this section is as per our Restated Financial Statements prepared in accordance with Indian Accounting Policies set forth in the Draft Prospectus.

OVERVIEW

Our company was originally established as a Private Limited Company under the name and style of “**Satol Chemicals Private Limited**” in accordance with the Companies Act, 2013 pursuant to a Certificate of Incorporation issued by Registrar of Companies, Central Registration Centre on October 23, 2020 with the corporate identification number (CIN) being U24290MH2020PTC348489. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to “**Satol Chemicals Limited.**” vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated July 01, 2024, bearing Corporate Identification Number U24290MH2020PLC348489, issued by the Registrar of Companies, Central Processing Centre.

We are an **ISO 9000:2015** and **GMP-certified** manufacturer specializing in eco-friendly specialty chemicals, delivering high-quality, effective, and safe cleaning solutions. Our industrial range includes alkaline and acidic cleaners, lubricants, descalers, foam cleaners, defoamer, antiscalants and disinfectants. Additionally, our house-keeping products encompass bathroom and floor cleaners, shampoos, detergent powders, fabric softeners, glass cleaners, grill cleaners, and room fresheners. In the drug and cosmetic segment, we offer premium hand washes, hand sanitizers, germicidal cleaners, and disinfectant floor cleaners, ensuring top-tier quality and safety across all our product lines.

Our company is proud to offer an extensive range of products catering to a broad spectrum of industries, from Industrial sectors such as Breweries, Beverages, Dairy, and Food Processing to Poultry, Fisheries and Water Treatment. We also serve the Institutional Cleaning sector, with a particular focus on Commercial Laundry, Facility Management, Hotels, and Healthcare. Our solutions extend further into Retail, Education, Government institutions, and the Food Services industry, ensuring that each segment receives tailored products designed to meet its unique operational needs.

Mr. Bhavesh Thakarshibhai Parsana, our Promoter and Managing Director, laid the foundation of Satol Chemicals in 2006 as a proprietorship concern in Parwanoo, Himachal Pradesh. Ten years later, in 2016, he closed the first Satol Chemical unit and established a second facility, Satol Chemicals Unit-II, in the same area but on a separate premises. To adopt a corporate structure, Satol Chemicals Private Limited was incorporated in the year 2020. Subsequently, in 2023, the second facility, Satol Chemicals Unit-II, was also closed and all revenue operations transitioned to our Company.

At the heart of our organization lie our core values, which drive everything we do. We are committed to delivering optimal customer satisfaction, ensuring that every interaction, product, and service is designed to provide a delightful and seamless experience. We constantly strive for continuous improvement in our quality standards, recognizing that innovation and excellence are essential for staying ahead in a competitive market. In doing so, we ensure a cost-effective approach for our customers without compromising on quality. Our relationships with clients are based on trust, transparency, and reliability, reflecting our belief that professional engagements should extend beyond mere transactions, cultivating long-term partnerships grounded in mutual respect and understanding.

Additionally, we place a strong emphasis on employee welfare, recognizing that our workforce is our most valuable asset. By fostering an environment of inclusivity, growth, and well-being, we ensure that our employees are empowered to contribute their best to the organization. We are also dedicated to environmental sustainability, aligning our operations with practices that reduce waste and encourage responsible resource usage, ensuring that our products not only serve industry needs but also support a more sustainable future. These values shape our corporate philosophy and are essential to our ongoing mission of delivering value to our clients and society at large.

KEY PERFORMANCE INDICATORS

(Amount in Lakhs, except % and ratios)

| Particulars | 30-09-2024* | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|-------------|------------|------------|------------|
| Total Income | 2,962.39 | 4742.42 | 4227.76 | 1710.39 |
| Growth (%) | -37.53% | 12.17% | 147.18% | N.A. |
| Revenue from Operation | 2,962.39 | 4741.27 | 4226.34 | 1709.74 |
| EBITDA (Operating Profit) | 409.51 | 741.49 | 300.36 | 100.53 |
| EBITDA Margin (%) | 13.82% | 15.64% | 7.11% | 5.88% |
| PAT | 311.12 | 551.95 | 194.82 | 65.82 |
| Growth (%) | -43.63% | 183.32% | 195.99% | #DIV/0! |
| PAT Margin (%) (PAT/Revenue from Operation) | 10.50% | 11.64% | 4.61% | N.A. |
| EPS (Basic & Diluted) - (As per end of Restated period) | 1,676.12 | 5519.55 | 1948.20 | 658.19 |
| EPS (Basic & Diluted) - (Post Bonus with retrospective effect) | 2.79 | 9.18 | 3.24 | 1.10 |
| Total Borrowings | 326.48 | 1,030.85 | 1,063.15 | 1,113.59 |
| Total Net Worth (TNW) | 1,792.84 | 796.76 | 244.80 | 49.98 |
| RONW (%) | 17.35% | 69.28% | 79.58% | 131.68% |
| ROCE (%) | 21.59% | 47.07% | 28.27% | 10.68% |
| Debt Equity Ratio (Total Borrowing/TNW) | 0.18 | 1.29 | 4.34 | 22.28 |

* Data as on 30/09/2024 are for six months only and not annualised, so it's not truly comparable.

OUR PRODUCT PORTFOLIO

Satol Chemicals offers a diverse and comprehensive product portfolio that caters to a wide range of industries and applications. Our products are designed to meet stringent industry standards, ensuring optimal performance, safety, and cost-efficiency across various applications. Their adaptability to different industry needs—from food processing and healthcare to hospitality and institutional cleaning—makes them indispensable for businesses seeking reliable and effective solutions. Among these, several products stand out as top revenue generators, each serving crucial roles in their respective sectors by providing innovative solutions for cleaning, hygiene, and maintenance.

Industrial Products: Alkaline and acidic cleaners, lubricants, descalers, foam cleaners, defoamer, antiscalants and disinfectants.

House Keeping Products: Bathroom and floor cleaners, shampoos, detergent powders, fabric softeners, glass cleaners, grill cleaners, and room fresheners.

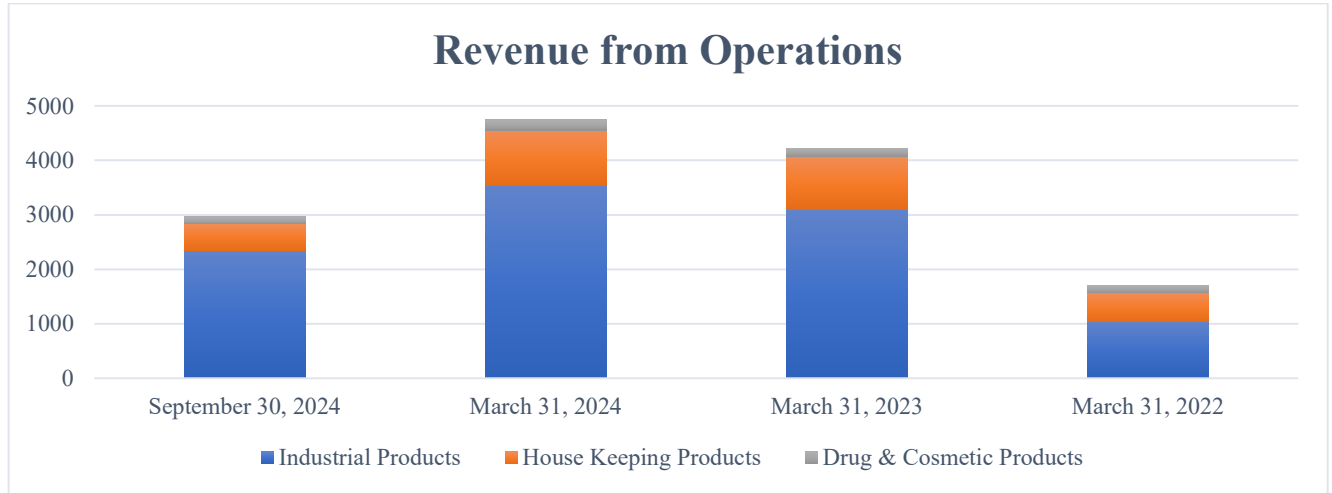
Drug and Cosmetics Products: Hand washes, hand sanitizers, germicidal cleaners, and disinfectant floor cleaners, ensuring top-tier quality and safety across all our product lines.



Broad Segment Wise Revenue bifurcation:


(Amount ₹ in Lakhs)

| Segments | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|--------------------------|--------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | Total Sales | % of Total Sales | Total Sales | % of Total Sales | Total Sales | % of Total Sales | Total Sales | % of Total Sales |
| Industrial Products | 2,352.14 | 79.40% | 3,529.42 | 74.44% | 3,106.30 | 73.50% | 1,042.99 | 61.00% |
| House Keeping Products | 488.20 | 16.48% | 1,026.24 | 21.64% | 972.02 | 23.00% | 528.65 | 30.92% |
| Drug & Cosmetic Products | 122.05 | 4.12% | 185.61 | 3.91% | 148.02 | 3.50% | 138.10 | 8.08% |
| Total | 2,962.39 | 100.00% | 4,741.27 | 100.00% | 4,226.34 | 100.00% | 1,709.74 | 100.00% |



Some of our products are listed as below:

| | | |
|--|---|--|
| SATOL KAP | SATLUBE MAX | SATLUBE SD |
| | | |
| SATOL KAP is a cost-effective caustic additive for bottle washing. It improves the cleaning effectiveness and ensures thoroughly cleaned bottles. | SATLUBE MAX is a synthetic liquid conveyor chain lubricant with cleaning and germicidal properties for Food & Beverage Industries. | SATLUBE SD is a semidry liquid conveyor chain lubricant with cleaning and germicidal properties for Food & Beverage industries. |
| SATOL - GC | SATIC 50 | SATOL - AF |
| | | |
| Satol - GC is a high-foaming, eco-friendly cleaner for general sanitation in cold areas of the F & B and Dairy. | SATIC 50 is a liquid cleaner for the food processing industry, ideal for tanks, crates, cans, floors, trays etc. | SATOL AF is an organic defoamer designed for potato and sugar production. It effectively controls foam in all fermentation processes. |

| SATONIL PA | SATONIL | SATOL SINGLE |
|--|--|--|
|  |  |  |
| <p>SATONIL - PA is a fast-acting sanitizer based on stabilized hydrogen peroxide and peracetic acid. It is highly effective against microorganisms and viruses, even in cold water.</p> | <p>SATONIL is a cold disinfectant for the food and dairy industries, designed for quick sterilization. It combines concentrated hydrogen peroxide and silver cations.</p> | <p>SATOL SINGLE is a liquid alkaline, foamless cleaner for daily use in the Food Processing Industry, especially in milk collection and seafood processing.</p> |
| SATOL DS | SATOL S1 | SATOL S2 |
|  |  |  |
| <p>SATOL DS is an effective descaler that removes calcium and magnesium scales from hard surfaces, metals, and glass.</p> | <p>Satol S1 is a concentrated liquid detergent designed for daily cleaning in hotels, hospitals, and industrial premises.</p> | <p>SATOL S2 is HARD SURFACE CLEANER is a concentrated, non-abrasive, bleach-free cleaner and sanitizer, ideal for quick and gentle cleaning of all hard surfaces.</p> |
| SATOL S3 | SATOL S4 | SATOL S5 |
|  |  |  |
| <p>Satol S3 is a concentrated glass cleaner for glass windows, mirrors, windshields, displays, and other transparent surfaces.</p> | <p>Satol S4 Furniture Shine Maintainer is designed for the maintenance of wood and laminated surfaces.</p> | <p>SATOL S4 is a liquid deodorizer with a fresh floral fragrance, ideal for neutralizing odours and freshening the air in any room.</p> |
| SATOL S6 | SATOL S7 | SATOL S8 |
|  |  |  |
| <p>SATOL Toilet Cleaner removes yellow lime-scale and stubborn stains, leaving toilet bowls and urinals sparkling clean.</p> | <p>Satol S7 Multipurpose Cleaner Concentrate effectively cleans kitchen utensils, glassware, appliances, floors, and oily surfaces.</p> | <p>SATOL S8 SUPREME (Multipurpose Paste Cleaner) swiftly removes old, stubborn stains from any surface caused by oil and dirt.</p> |

| SATOL S9 | SATOL SD 1 | SATOL SD 1.2 |
|--|--|--|
|  |  |  |
| <p>Satol S9 Washroom Cleaner is a concentrated liquid detergent for daily cleaning of washrooms, restrooms, showers, urinals, and toilet bowls in hotels, hospitals, and industrial settings.</p> | <p>Satol SD1 Manual Dishwash Cleaner effectively cleans kitchen utensils, glassware, appliances, floors, and oily surfaces.</p> | <p>SATOL Dishwash Eco D1.2 is a highly concentrated manual potand dish wash detergent that effectively removes grease and foodsoils.</p> |
| SATOL SATIN HAND WASH – LEMON | SATOL SATIN HAND WASH - PINK | SATOL STENZA AR |
|  |  |  |
| <p>SATOL SATIN HAND WASH - LEMON is a perfumed liquid soap that provides effective hygiene, leaves a pleasant scent, and moisturizes hands.</p> | <p>SATOL SATIN HAND WASH - PINK ensures optimal handhygiene with gentle yet effective formulas that remove dirt and grime.</p> | <p>SATOL STENZA AR was specially developed for Indian Railways toremove label residues and gum stains from trains.</p> |
| SAT TAB – INSTITUTIONAL | DISHWASH AUTO RINSE | DISHWASH AUTO |
|  |  |  |
| <p>SAT TAB is a chlorine-basedtablet for sanitizing salads, vegetables, food surfaces, and equipment.</p> | <p>SATOL DISHWASH AUTO RINSE is a liquid additive for alkaline washing agents used in automatic bottle washers inthe brewing and beverage industries.</p> | <p>SATOL DISHWASH AUTO is a blend of non-ionic surfactants designed for machine ware washing. It effectively removes food residues, prevents staining, and improves risibility.</p> |

INDUSTRY SEGMENTS WE SERVE

Satol Chemicals Limited Product Portfolio highlights the company's extensive range of specialized cleaning solutions tailored to meet the diverse needs of various industries. These services span across key sectors such as Hospitality, where SATOL ensures high standards of hygiene and cleanliness in hotels, resorts, and guest facilities. Similarly, Retail spaces benefit from their professional cleaning services, creating a welcoming environment for shoppers and enhancing the customer experience. In the Food Service industry, SATOL’s expertise ensures that restaurants and catering businesses maintain optimal hygiene, safeguarding food preparation areas and customer safety.



Furthermore, SATOL's cleaning solutions cater to Industries, providing critical cleaning support to manufacturing units and production facilities, ensuring safe and efficient operations. In the Healthcare sector, they offer essential services to hospitals and clinics, maintaining a sterile environment crucial for patient safety. SATOL also serves the Corporate Office & IT Sector, delivering professional cleaning that promotes productivity in workspaces. Additionally, their expertise in Food & Beverage (F&B) ensures the cleanliness and compliance of facilities within this sector, meeting strict hygiene standards.

Our commitment to sustainability and superior quality ensures that our customers—from hospitality to healthcare and retail—meet the highest hygiene and safety standards, promoting environmental stewardship while optimizing operational efficiency.

OUR COMPETITIVE STRENGTHS

1. Experienced Promoter and Management Team

Our Promoter and Managing Director, Mr. Bhavesh Thakarshibhai Parsana, brings over two decades of deep expertise in the field of specialty cleaning products. His wealth of experience, combined with his visionary leadership, has been instrumental in guiding our company to its esteemed position in the industry today. Mr. Parsana's strategic direction and hands-on approach have enabled our company to continually innovate and adapt to the evolving demands of the market, making Satol Chemicals a trusted name across various industries.

Complementing Mr. Parsana's leadership is Mrs. Mayuri Bhavesh Parsana, who serves as Promoter and Executive Director. With more than 4 years of experience in the specialty cleaning sector, she plays a vital role in shaping the company's operations, particularly in driving product innovation and expansion. Her contributions have been critical in enhancing the company's product portfolio, ensuring that our Company consistently meets the high standards expected by our diverse clientele. Together, the leadership duo has created a dynamic and growth-oriented environment within the organization.

Our management team remains focused on key areas such as production optimization, marketing excellence, and identifying new growth opportunities within their respective product segments. With the combined knowledge and experience of our promoters, senior management, skilled personnel, and the strong support of financial investors and stakeholders, Satol Chemicals enjoys a significant competitive edge. This collective expertise and commitment not only position us well to expand production capacities and product offerings but also drives our efforts to penetrate new markets while solidifying our presence in existing ones.

2. A Diversified Product Portfolio Catering to Industry Needs

Satol Chemicals Limited prides itself on offering a diversified product portfolio that addresses the unique requirements of a wide range of industries. Our products are designed to meet the specific demands of sectors such as food processing, healthcare, hospitality, institutional cleaning, and more. This broad range of solutions ensures that our long-standing customers, regardless of their industry, receive specialized and effective products that contribute to their operational efficiency, safety, and hygiene standards. Our ability to cater to such a diverse clientele has been a cornerstone of our success, allowing us to build lasting relationships with businesses that trust us to meet their needs.

This diversification not only enhances our market presence but also ensures resilience across economic cycles. By serving multiple industries, we mitigate the risks associated with relying on a single sector. Our commitment to understanding the evolving requirements of each industry has allowed us to continuously innovate and adapt, delivering products that are both relevant and high-performing. As a result, we have fostered a loyal customer base that values the quality, reliability, and tailored solutions we provide, making Satol Chemicals a trusted partner for businesses across industries.

3. Strong R&D capabilities and Excellence in Quality Control

A key strength of our company lies in our fully operational Quality Control Laboratory and dedicated Research & Development (R&D) Department, both staffed by highly experienced professionals. Our quality control laboratory ensures that every product we manufacture meets the highest industry standards, from raw material inspection to finished product testing. With rigorous checks and advanced testing methodologies, we guarantee the delivery of superior quality products that consistently meet customer specifications and regulatory compliance. The expertise of our quality control staff allows for the precise monitoring of production processes, identifying and addressing potential issues swiftly to maintain consistency and excellence in output.

Our R&D department is equally integral to our success, driving innovation and continuous improvement across our product lines. The team focuses on developing cutting-edge solutions, improving existing products, and adapting to changing market demands. Their efforts not only enhance product performance but also contribute to cost savings and sustainability initiatives. Together, our quality control and R&D capabilities reflect our commitment to excellence, innovation, and customer satisfaction, positioning us as a trusted leader in the industries we serve.

4. Efficient Effluent and Logistic Management

Our state-of-the-art manufacturing facility is strategically located in the Sarigam Industrial Estate, part of the Gujarat Industrial Development Corporation (GIDC), an area renowned for its accessibility and industrial infrastructure. This location offers us significant logistical advantages, ensuring seamless connectivity to major clients and suppliers. Being centrally located within the industrial hub of Gujarat, we are able to deliver products and services more efficiently and promptly to our customer base. The proximity to key transportation networks, including roadways, railways, and ports, enhances our operational efficiency by reducing lead times and transportation costs. This allows us to maintain high standards of customer service and delivery, contributing to a competitive edge in the market.

Gujarat, as one of India's leading states in the Dairy industry, plays a crucial role in driving a substantial portion of our revenue. The state's prominence in dairy production aligns perfectly with our business objectives, allowing us to serve numerous clients in this sector.

5. Expanding Geographical Reach and International Presence

Our company's extensive geographical reach across various states in India is one of our key strengths. We generate significant revenue from multiple regions across the country, enabling us to cater to a diverse customer base and meet the unique demands of different markets. This wide domestic presence has fortified our position as a trusted provider across numerous industries.

In recent years, we have expanded beyond national borders, establishing our foothold in the international market. We have started exporting our products to neighbouring countries and other nations within Asia, signalling the beginning of our global expansion. This strategic move not only enhances our market presence but also opens new growth opportunities in the competitive international arena.

State wise revenue bifurcation for the period ended on 30th September, 2024 and Fiscal years 2022, 2023 and 2024 are mentioned below:

(Amount ₹ in Lakhs)

| State | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|-----------------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Andhra Pradesh | 117.43 | 4.03% | 241.08 | 5.18% | 180.74 | 4.31% | 31.21 | 1.83% |
| Arunachal Pradesh | 23.01 | 0.79% | 53.31 | 1.15% | 22.77 | 0.54% | 3.65 | 0.21% |
| Assam | 82.38 | 2.83% | 182.15 | 3.92% | 131.95 | 3.15% | 52.38 | 3.06% |
| Bihar | 52.94 | 1.82% | 143.23 | 3.08% | 94.17 | 2.24% | 32.02 | 1.87% |
| Chhattisgarh | 35.44 | 1.22% | 41.50 | 0.89% | 32.77 | 0.78% | - | 0.00% |
| Chandigarh | 0.01 | 0.00% | 0.37 | 0.01% | 4.40 | 0.10% | 18.44 | 1.08% |
| Dadra Nagar/Diu Daman | 9.38 | 0.32% | 15.73 | 0.34% | 10.91 | 0.26% | 4.06 | 0.24% |
| Goa | 6.24 | 0.21% | 4.12 | 0.09% | 3.01 | 0.07% | 0.35 | 0.02% |
| Delhi | 14.03 | 0.48% | 15.57 | 0.33% | 23.06 | 0.55% | 8.32 | 0.49% |
| Gujarat | 272.75 | 9.36% | 357.25 | 7.68% | 350.34 | 8.35% | 62.93 | 3.68% |
| Haryana | 71.99 | 2.47% | 118.28 | 2.54% | 153.23 | 3.65% | 66.37 | 3.88% |
| Himachal Pradesh | 12.08 | 0.41% | 14.70 | 0.32% | 12.92 | 0.31% | 2.28 | 0.13% |
| Telangana | 80.56 | 2.76% | 186.01 | 4.00% | 171.41 | 4.09% | 56.88 | 3.33% |
| Madhya Pradesh | 227.37 | 7.80% | 489.42 | 10.52% | 564.56 | 13.46% | 210.66 | 12.32% |
| Jammu & Kashmir | 57.91 | 1.99% | 83.89 | 1.80% | 84.01 | 2.00% | 7.59 | 0.44% |
| Jharkhand | 77.03 | 2.64% | 110.04 | 2.37% | 43.20 | 1.03% | 13.71 | 0.80% |
| Karnataka | 174.26 | 5.98% | 221.14 | 4.75% | 192.22 | 4.58% | 79.73 | 4.66% |
| Kerala | 44.90 | 1.54% | 28.78 | 0.62% | 9.31 | 0.22% | 2.91 | 0.17% |
| West Bengal | 187.98 | 6.45% | 332.86 | 7.15% | 284.75 | 6.79% | 185.08 | 10.83% |
| Maharashtra | 425.31 | 14.59% | 799.41 | 17.18% | 785.74 | 18.73% | 480.19 | 28.09% |
| Meghalaya | 11.07 | 0.38% | 22.81 | 0.49% | 28.84 | 0.69% | 5.07 | 0.30% |
| Rajasthan | 160.28 | 5.50% | 217.98 | 4.69% | 149.25 | 3.56% | 61.24 | 3.58% |
| Odisha | 71.30 | 2.45% | 87.70 | 1.89% | 74.75 | 1.78% | 34.40 | 2.01% |
| Punjab | 104.51 | 3.59% | 146.32 | 3.15% | 147.43 | 3.51% | 47.43 | 2.77% |
| Sikkim | 14.43 | 0.50% | 24.29 | 0.52% | 16.49 | 0.39% | - | - |
| Tamil Nadu | 255.78 | 8.78% | 342.66 | 7.37% | 327.84 | 7.81% | 117.80 | 6.89% |
| Uttar Pradesh | 266.64 | 9.15% | 327.09 | 7.03% | 269.66 | 6.43% | 111.13 | 6.50% |
| Uttarakhand | 38.00 | 1.30% | 43.38 | 0.93% | 25.68 | 0.61% | 13.92 | 0.81% |
| Manipur | 0.70 | 0.02% | 1.33 | 0.03% | - | - | - | - |
| Tripura | 0.01 | 0.00% | 0.04 | 0.00% | - | - | - | - |
| Puducherry | 18.43 | 0.63% | - | - | - | - | - | - |
| Total | 2,914.13 | 100.00% | 4,652.44 | 100.00% | 4,195.38 | 100.00% | 1,709.74 | 100.00% |

Country-wise revenue distribution:*(Amount ₹ in Lakhs)*

| Country | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|-----------------------------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| India | 2,914.13 | 98.37% | 4,652.44 | 98.13% | 4,195.38 | 99.27% | 1,709.74 | 100.00% |
| Bangladesh | 7.27 | 0.25% | - | - | 11.69 | 0.28% | - | - |
| Bhutan | 6.34 | 0.21% | 13.15 | 0.28% | - | - | - | - |
| Hong Kong | - | - | 0.01 | 0.00% | - | - | - | - |
| Kenya | - | - | - | - | 19.27 | 0.45% | - | - |
| Maldives | - | - | 1.97 | 0.04% | - | - | - | - |
| Myanmar | 8.54 | 0.29% | 10.65 | 0.22% | - | - | - | - |
| Nepal | 20.35 | 0.67% | 54.89 | 1.15% | - | - | - | - |
| Sri Lanka | 5.05 | 0.17% | 7.36 | 0.16% | - | - | - | - |
| SEZ (Deemed Exports) – Tamil Nadu | 0.71 | 0.02% | - | - | - | - | - | - |
| Tanzania | - | - | 0.81 | 0.02% | - | - | - | - |
| Total | 2,962.39 | 100.00% | 4,741.27 | 100.00% | 4,226.34 | 100.00% | 1,709.74 | 100.00% |

Revenue bifurcation based on Domestic and Export Sales:*(Amount ₹ in Lakhs)*

| Particulars | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|--------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Domestic | 2,914.13 | 98.36% | 4,652.44 | 98.13% | 4,195.38 | 99.27% | 1,709.74 | 100.00% |
| Exports | 48.26 | 1.64% | 88.83 | 1.87% | 30.96 | 0.73% | - | - |
| Total | 2,962.39 | 100.00% | 4,741.27 | 100.00% | 4,226.34 | 100.00% | 1,709.74 | 100.00% |

OUR BUSINESS STRATEGIES**1. Strengthening Working Capital for Optimal Capacity Utilization**

Our business of manufacturing specialty chemicals is inherently working capital intensive. This is primarily due to the need to maintain sufficient inventory levels throughout the production process to ensure smooth operations and meet customer demands promptly. Additionally, effective management of the debtors and creditors cycle is crucial to maintaining liquidity and operational efficiency.

Increasing capacity utilization is a key driver for scaling operations, improving cost-efficiency, and boosting profitability. Moreover, as we continue to grow, we aim to add new production capacities to further capitalize on market demand.

This planned expansion, however, will necessitate access to a larger pool of liquid funds and adequate working capital. We propose to fund these growth initiatives through a combination of proceeds from our upcoming IPO and banking facilities. These financial resources will enable us to not only optimize current operations but also invest in future growth, ensuring long-term sustainability and competitiveness in the specialty chemicals market.

2. Expand manufacturing capacity and increase production efficiency

Our company is in the process of acquiring an additional 5,139 sq. mt. (approx.) of land within the GIDC (Gujarat Industrial Development Corporation), where we will establish our second manufacturing facility. This strategic move is aimed at significantly boosting our production capacity, which will have a direct and positive impact on sales. With the increased production, we will be able to meet growing customer demand more efficiently, penetrate new markets, and expand our product portfolio. This expansion will also enhance operational flexibility, allowing us to optimize manufacturing processes and introduce new innovations.

Beyond the increase in production, the new manufacturing facility will bring several other key advantages. Additionally, it will support our plans for diversification, as the new facility will provide the space and resources to introduce more advanced machinery and develop new product lines, further strengthening our market position.

3. Strengthening Innovation through New R&D Centre in Mumbai and Expanding Product Offerings

As part of our future strategy, we are placing greater emphasis on research and development (R&D) to drive innovation and expand our product portfolio. To achieve this, we are planning to establish a new state-of-the-art R&D Centre in Mumbai by renting a dedicated premise. This strategic move will not only centralize our R&D efforts but also enhance operational efficiency, as our registered office is also located in Mumbai, making the management of R&D activities more streamlined. The new facility will be equipped with advanced technology and resources, enabling our R&D team to focus on developing cutting-edge products and refining existing formulations to meet the evolving needs of our customers.

The new R&D facility will be equipped with advanced technologies and resources, allowing our team to develop cutting-edge products and refine existing formulations in response to evolving customer needs. The Centre will play a critical role in expanding our product portfolio, with a particular focus on specialty chemicals.

By fostering a culture of continuous research, we aim to introduce high-performance, industry-specific products to cater to a broader client base. This approach will strengthen our ability to anticipate and respond to market trends, enhance customer satisfaction, and bolster our competitive position in both domestic and international markets.

4. Expanding Global Reach and Strengthening Domestic Presence

Our strategic vision is to significantly grow our global customer base while enhancing our footprint within India's diverse states. While we already have a strong presence across multiple regions in the country, there is ample opportunity to increase our customer base in most states. By leveraging the long-standing relationships we have built through strategic endeavours, we aim to enter into long-term marketing arrangements that will solidify our presence domestically. We plan to capitalize on our existing sales and marketing network, which, combined with our diversified product portfolio and solid industry reputation, will help us forge new relationships with multinational, regional, and local customers. These efforts will not only reinforce our market position but also open doors for further growth in untapped regions.

In addition to growing our domestic operations, we have recently initiated export activities, although in minimal quantities and primarily within a few countries. We recognize the vast potential in global markets and are focused on extending our reach to numerous other countries across various continents. By scaling up our export strategy, we intend to strengthen our international presence, tapping into markets that align with our product offerings and industry expertise. Expanding internationally will also diversify our revenue streams and reduce dependency on local markets. Through these efforts, we aim to establish a robust global footprint, positioning our company as a leading player in both the domestic and international markets.

5. Commitment to Quality and Global Standards

We remain steadfast in our commitment to maintaining the highest standards of quality, which we believe is essential for our brand's integrity and long-term growth. In our manufacturing facilities, we have implemented comprehensive quality management systems that span every aspect of our business processes, from production to supply chain management and final product delivery. These systems ensure that every product we manufacture consistently meets stringent quality, efficacy, and safety standards. By adhering to global quality benchmarks, we provide our customers with products that are both reliable and superior in performance. Our quality assurance framework includes various checks at multiple stages, including random sampling inspections and rigorous evaluations by both internal teams and third-party agencies. This multi-tiered approach ensures that every product delivered to our customers upholds our promise of excellence.

6. Focus on Sustainability, Health, and Safety

Sustainability is at the core of our operations, and we emphasize quality, environmental responsibility, health, and safety in every aspect of our business. We recognize that maintaining environmentally friendly practices and safeguarding the health and safety of our employees and communities are not just obligations but integral to our growth and sustainability goals. Our manufacturing processes are designed to minimize environmental impact while ensuring the safety of workers through stringent safety protocols. Additionally, many of our key customers have conducted inspections of our facilities and manufacturing processes, approving them based on their strict standards. These audits reflect our commitment to transparency and continuous improvement. We anticipate that future audits will not only reinforce our adherence to these standards but also provide opportunities for us to further enhance our processes, ensuring we remain leaders in quality, sustainability, and safety in the industry.

PRODUCTION PLANNING

At Satol Chemicals, our production strategy is designed to ensure the efficient manufacturing of specialty chemicals while delivering products to our customers in a timely and reliable manner. We employ a process-driven approach rooted in advanced manufacturing techniques, where raw materials, ingredients, and components are combined through precise, standardized formulations. This methodology guarantees product consistency, superior quality, and optimized output across all production lines.

Our commitment to innovation and operational excellence enables us to swiftly respond to evolving customer demands while maintaining the highest standards of quality and sustainability. As we move towards the future, we continuously invest in cutting-edge technology and process enhancements to meet the growing global needs for specialty chemicals, ensuring long-term value for both our clients and stakeholders.

Following is the step wise breakup of the production planning process:

1. Forecasting Product Demand:

Estimate how much of each product needs to be manufactured over a specific period based on market demand, past trends, and sales forecasts.

2. Mapping Out Production Steps and Options:

Define the specific steps in the production process and identify any alternatives or adjustments that could be made to optimize efficiency and flexibility.

3. Resource Management:

Allocate the necessary resources, including raw materials, labour, and equipment, to ensure smooth and uninterrupted production.

4. Choosing a Production Plan and Scheduling:

Select a production plan that aligns with the demand forecast and schedule production activities to ensure timely delivery while optimizing resource use.

5. Monitoring and Control:

Continuously monitor production progress to track performance and identify any deviations from the plan. Make real-time adjustments to ensure everything stays on schedule.

6. Planning Accordingly:

Based on the monitoring results and any updates to the forecast, adjust the production plan as needed to optimize efficiency and ensure customer needs are met without delays.

BIDDING PROCESS FLOWCHART

We frequently secure business opportunities and projects through the online bidding process or e-procurement from companies across various industries. Below is a structured flowchart outlining the key steps involved in our bidding procedure:



1. Tender Sourcing (E-procurement Portal):

The process begins by sourcing available tenders from various e-procurement portals relevant to our industry.

2. Segregation of Tender Documents:

Once tenders are identified, the documents are reviewed and segregated based on eligibility criteria, scope, and alignment with the company's capabilities.

3. Participation in Qualified Tenders:

After the segregation process, we proceed by participating in tenders for which we meet the qualifications.

- **Registration on E-procurement Portals for Eligible Tenders:** If not already registered, we complete the registration process on relevant portals to participate in the selected tenders.
- **Preparation of Documents Required in Eligibility Criteria:** We prepare all the necessary documentation required to meet the eligibility criteria set by the tender, ensuring compliance with the requirements.
- **Submission on E-Procurement Portals:** Once all documents are prepared, the bid is submitted through the e-procurement portal.

4. Technical Bid Evaluation Process:

After submission, the technical bid is evaluated by the client or the concerned authority.

- **Accepted in Technical Bid:** If the technical bid meets the requirements, it is accepted, and the bid moves to the next phase, which is the financial bid evaluation.
- **Rejected in Technical Bid:** If the technical bid is rejected, the tender process is closed for that bid.

5. Financial Bid Evaluation:

For bids accepted in the technical evaluation, the financial bid is then opened and reviewed.

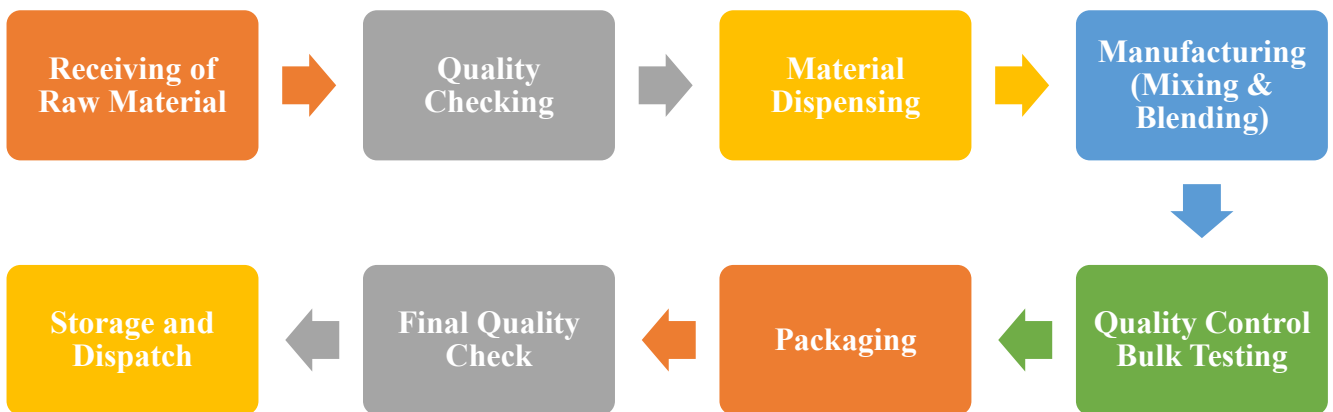
6. Accepted in Financial Bid:

If the financial bid is accepted, the evaluation moves forward to determine if we are the L1 Bidder (the lowest bidder).

- **L1 Bidder:** If we are the L1 bidder, we are awarded the tender and receive the Letter of Intent (LOI).
- **Not L1 Bidder:** If we are not the L1 bidder, the tender process is closed for this bid.

In summary, the tender bidding process involves multiple stages, from sourcing and document preparation to technical and financial evaluations, with the goal of securing tenders by meeting eligibility and offering competitive financial bids.

MANUFACTURING PROCESS FLOWCHART



1. **Raw Material Incoming**
 - **Objective:** Ensure timely and proper receipt of raw materials.
 - **Key Steps:**
 - Verify materials against purchase orders (quantity, type).
2. **Incoming Quality Checks**
 - **Objective:** To Verify that all incoming raw materials meet quality and specification standards.
 - **Key Steps:**
 - Conduct quality checks (chemical composition, physical appearance, safety standards).
 - Retain samples for future reference and compliance.
 - Approve or reject materials based on results.
3. **Material Dispensing**
 - **Objective:** To accurately dispense raw materials according to the formulation.
 - **Key Steps:**
 - Retrieve approved raw materials from storage.
 - Weigh and dispense exact quantities using calibrated scales.
 - Ensure correct sequence of raw material dispensing to avoid contamination.
4. **Manufacturing (Mixing & Blending)**
 - **Objective:** Mix all raw materials to produce a homogeneous chemical mixture as per the process instruction and process parameters.
 - **Key Steps:**
 - Sequentially add active ingredients, surfactants, additives, etc.
 - Mix at predefined speeds and temperatures based on formulation.
 - Maintain safety protocols for handling chemicals during the process.
 - Record data such as batch number, start/end times, and equipment used.
5. **QC Bulk Testing**
 - **Objective:** Conduct quality checks on bulk product before packaging.
 - **Key Steps:**
 - Test the bulk product for the quality test parameters.
 - Approve or make adjustments based on test results.
 - Record all testing data in the batch production record.
6. **Packaging**
 - **Objective:** Pack the product into the final containers for sale or distribution.
 - **Key Steps:**
 - Fill the product in the recommended containers using filling machines.
 - Seal containers (bottles, drums, etc.) to avoid contamination or leakage.
 - Attach labels with necessary product, batch number, and safety information.
7. **Final Quality Check**
 - **Objective:** Ensure that the packaged product meets all specifications before dispatch.
 - **Key Steps:**
 - Conduct random batch testing for consistency in product quality.
 - Check the integrity of packaging and labelling.
 - Ensure compliance with regulatory and safety standards.
8. **Storage and Dispatch**
 - **Objective:** Store finished products in optimal conditions before shipment.
 - **Key Steps:**
 - Store products in a dry, cool, and ventilated warehouse.
 - Maintain a FIFO (First In, First Out) system for inventory.
 - Arrange for timely dispatch as per customer orders.

OUR LOCATIONAL PRESENCE

Registered office: 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India

Manufacturing Unit: Plot No. 4923, Near Technotrap, Plastic Zone, Manda Village, GIDC Sarigam, District- Valsad- 396155, Gujarat, India

PHOTOS OF MANUFACTURING UNIT



Front View of the Manufacturing Unit



Hand Wash Process Mixture



Dish Wash Batch Process Mixture



Industrial Batch Manufacturing Process



Powder Making Machine



Manual Filling Process



Process Check Laboratory



Analytical Testing Lab



Micro Testing Lab

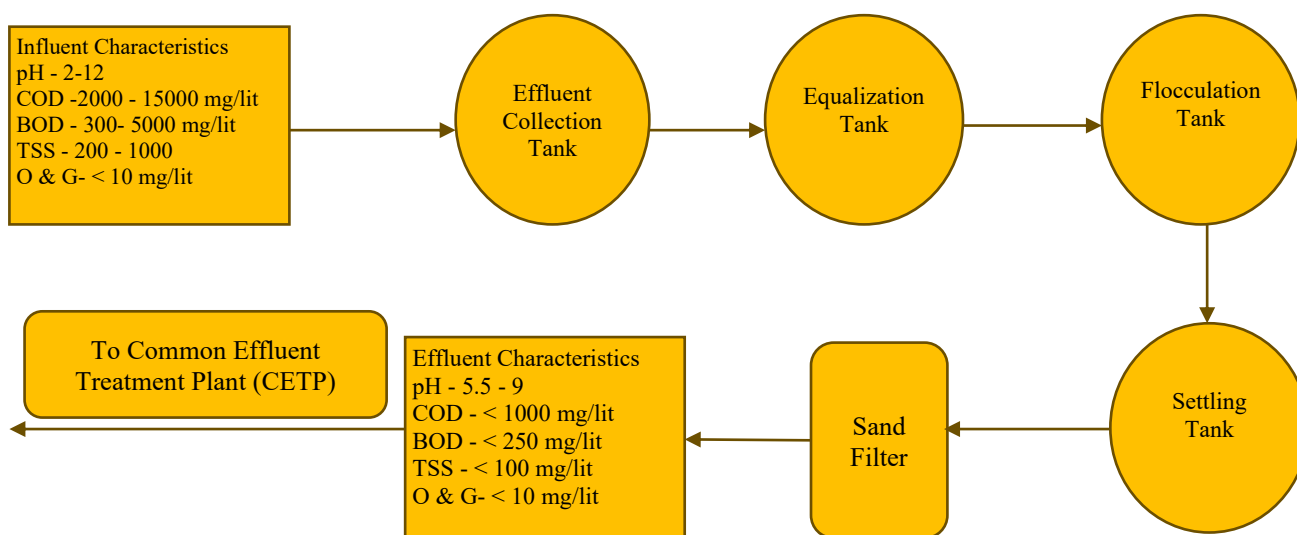


Raw Material and Finished Goods Storage Godown along with Dispatch Area

EFFLUENT TREATMENT PROCESS (ETP)

The Effluent Treatment Process (ETP) is a cornerstone of our commitment to environmental stewardship and sustainable manufacturing. Given our involvement in the production of specialty chemicals, we recognize the critical importance of minimizing environmental impact by effectively treating wastewater generated during our processes. Our robust ETP ensures that all effluents are carefully treated to remove contaminants, reduce toxicity, and meet regulatory standards before they are safely discharged or repurposed. Through meticulous monitoring, advanced treatment technologies, and adherence to stringent safety and quality protocols, we strive to protect local ecosystems, conserve water resources, and contribute positively to environmental preservation. Our proactive approach to effluent treatment reflects our dedication not only to regulatory compliance but also to our responsibility as an eco-conscious industry leader.

Below is the detailed process flow diagram of the effluent treatment process at Satol Chemicals Limited:



Influent Characteristics (Pre-Treatment):

pH: Ranges between 2–12
 Chemical Oxygen Demand (COD): 2,000–15,000 mg/L
 Biochemical Oxygen Demand (BOD): 300–5,000 mg/L
 Total Suspended Solids (TSS): 200–1,000 mg/L
 Oil and Grease (O&G): <10 mg/L

1. Effluent Collection Tank

Purpose: Collects effluent generated from various processes, stabilizing inflow rates and equalizing initial load characteristics.

Function: Provides initial storage to prevent sudden surges and balances the feed to the downstream process.

2. Equalization Tank

Purpose: Equalizes fluctuations in the effluent's flow and characteristics, stabilizing pH and temperature.

Operation: Continuous mixing using air blowers or mixers, ensuring a consistent and homogeneous effluent flow to the next treatment stage.

3. Flocculation Tank

Purpose: Aggregates suspended particles in the effluent by dosing coagulants and flocculants.

Chemicals Used: Lime, alum, and polyelectrolytes to assist in coagulating and flocculating suspended solids.

Process: Chemical dosing initiates the flocculation process, forming large, settleable flocs for easy separation.

4. Settling Tank

Purpose: Separates solids from the effluent by allowing flocs to settle by gravity, forming a sludge layer at the bottom.
Operation: Clarified effluent flows to the next treatment stage while sludge is removed periodically and transferred for dewatering.

5. Sand Filter

Purpose: Provides secondary treatment by filtering fine particulates, reducing remaining suspended solids and organic load.
Operation: The effluent flows through the sand filter, achieving a reduction in COD, BOD, and TSS to meet CETP requirements. Regular backwashing of the filter maintains filtration efficiency.

Final Effluent Characteristics (Post-Treatment):

pH: 5.5–9
 COD: < 1,000 mg/L
 BOD: < 250 mg/L
 TSS: < 100 mg/L
 O&G: <10 mg/L

Discharge to CETP

The treated effluent, with reduced COD, BOD, and TSS, is discharged to the Common Effluent Treatment Plant (CETP) for final treatment and disposal, ensuring compliance with environmental regulations.

OUR TOP CUSTOMERS AND SUPPLIERS

The company supply its products majorly to different States in India. The following is the breakup of the top five and top ten customers/suppliers of our Company for the six months period ended September 30, 2024 and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022:

(Amount ₹ in Lakhs)

| Particulars | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|----------------------|--------------------|--------|----------------|--------|----------------|--------|----------------|--------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Top Customers | | | | | | | | |
| Top 5 Customers | 446.62 | 15.08% | 566.11 | 11.94% | 571.62 | 13.53% | 482.66 | 28.23% |
| Top 10 Customers | 682.03 | 23.02% | 856.72 | 18.07% | 898.18 | 21.25% | 586.87 | 34.32% |
| Top Suppliers | | | | | | | | |
| Top 5 Suppliers | 493.05 | 27.90% | 694.27 | 25.65% | 798.99 | 26.87% | 375.42 | 26.20% |
| Top 10 Suppliers | 789.97 | 44.70% | 1,080.99 | 39.94% | 1,193.42 | 40.13% | 570.32 | 39.80% |

RAW MATERIAL PROCUREMENT

Our company procures a wide range of raw materials essential for producing our wide range of products. To ensure the highest quality and reliability in our operations, we have developed and maintained an extensive database of noteworthy vendors. This network spans across India and various international markets, allowing us to source materials efficiently and competitively. Our strong relationships with these vendors enable us to meet the diverse needs while maintaining high standards of quality and timely delivery.

The detailed bifurcation of both domestic and international purchases for the six months period ended September 30, 2024 and for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

(Amount ₹ in Lakhs)

| Particulars | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|--------------|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Domestic | 1,587.67 | 89.83% | 2,492.44 | 92.08% | 2,891.20 | 97.22% | 1,412.36 | 98.56% |
| Import | 179.69 | 10.17% | 214.24 | 7.92% | 82.78 | 2.78% | 20.64 | 1.44% |
| Total | 1767.36 | 100.00% | 2706.68 | 100.00% | 2973.98 | 100.00% | 1433 | 100.00% |

State wise purchase bifurcation:

(Amount ₹ in Lakhs)

| States | September 30, 2024 | | March 31, 2024 | | March 31 2023 | | March 31 2022 | |
|--------------------------------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Andhra Pradesh | - | - | 0.06 | 0.00% | 0.08 | 0.00% | - | - |
| Assam | 0.05 | 0.00% | 0.02 | 0.00% | - | - | - | - |
| Chhattisgarh | - | - | - | - | 0.40 | 0.01% | - | - |
| Dadra & Nagar Haveli and Daman & Diu | 155.63 | 9.80% | 298.48 | 11.98% | 342.72 | 11.85% | 141.83 | 10.04% |
| Delhi | 14.02 | 0.88% | 21.66 | 0.87% | 23.44 | 0.81% | 12.95 | 0.92% |
| Goa | 9.13 | 0.58% | 5.41 | 0.22% | 16.04 | 0.55% | - | - |
| Gujarat | 396.94 | 25.00% | 541.52 | 21.73% | 616.86 | 21.34% | 305.12 | 21.60% |
| Haryana | 0.14 | 0.01% | 0.10 | 0.00% | 2.07 | 0.07% | 1.38 | 0.10% |
| Himachal Pradesh | 3.15 | 0.20% | 7.18 | 0.29% | 4.43 | 0.15% | 1.81 | 0.13% |
| Karnataka | 24.25 | 1.53% | 36.4 | 1.46% | 34.13 | 1.18% | 13.57 | 0.96% |
| Kerala | 0.10 | 0.01% | - | - | - | - | - | - |
| Madhya Pradesh | 10.22 | 0.64% | 5.01 | 0.20% | 21.52 | 0.74% | 27.85 | 1.97% |
| Maharashtra | 874.33 | 55.07% | 1,444.98 | 57.97% | 1,534.67 | 53.08% | 811.11 | 57.43% |
| Pune | - | - | - | - | 0.99 | 0.03% | 0.88 | 0.06% |
| Odisha | 0.04 | 0.00% | 0.02 | 0.00% | - | - | - | - |
| Punjab | - | - | 13.21 | 0.53% | 71.36 | 2.47% | 41.10 | 2.91% |
| Rajasthan | 2.49 | 0.16% | 3.99 | 0.16% | 4.50 | 0.16% | 2.07 | 0.15% |
| Tamil Nadu | 37.82 | 2.38% | 50.33 | 2.02% | 51.91 | 1.80% | 19.52 | 1.38% |
| Telangana | 0.09 | 0.01% | 0.39 | 0.02% | - | - | - | - |
| Uttar Pradesh | 57.99 | 3.65% | 61.59 | 2.47% | 120.38 | 4.16% | 9.34 | 0.66% |
| Uttarakhand | - | - | - | - | 45.22 | 1.56% | 21.04 | 1.49% |
| West Bengal | 1.27 | 0.08% | 2.09 | 0.08% | 0.50 | 0.02% | 2.80 | 0.20% |
| Total | 1,587.67 | 100.00% | 2,492.44 | 100.00% | 2,891.20 | 100.00% | 1,412.36 | 100.00% |

Country wise purchase bifurcation:

(Amount ₹ in Lakhs)

| Countries | September 30, 2024 | | March 31, 2024 | | March 31 2023 | | March 31 2022 | |
|-----------|--------------------|--------|----------------|--------|---------------|--------|---------------|--------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| India | 1,587.67 | 89.83% | 2,492.44 | 92.08% | 2,891.20 | 97.22% | 1,412.36 | 98.56% |
| France | - | - | 5.68 | 0.21% | 4.93 | 0.17% | - | - |
| Hongkong | - | - | - | - | 76.86 | 2.58% | 20.64 | 1.44% |
| Italy | - | - | - | - | 0.99 | 0.03% | - | - |

| Countries | September 30, 2024 | | March 31, 2024 | | March 31 2023 | | March 31 2022 | |
|----------------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Thailand | 38.92 | 2.20% | 76.18 | 2.81% | - | - | - | - |
| United Arab Emirates | - | - | 89.38 | 3.30% | - | - | - | - |
| United Kingdom | 63.87 | 3.61% | 42.99 | 1.59% | - | - | - | - |
| Spain | 76.90 | 4.35% | - | - | - | - | - | - |
| Total | 1,767.36 | 100.00% | 2,706.68 | 100.00% | 2,973.98 | 100.00% | 1,433.00 | 100.00% |

SWOT ANALYSIS

Strength:

- Superior pre-sales and after-sales service
- Simplified product development process
- Highly experienced and qualified technical team
- PAN India presence
- Expansive Product Portfolio

Weakness

- Limited market reach (especially in unknown markets)
- Limited presence at the corporate level
- Lack of awareness among customers
- Limited resources at the sales level

Opportunities

- Wide open market
- Corporates ready to spend on specialty products
- Potential in new, unknown markets
- Multinational tie-ups
- Expanding Manufacturing facility for increased production

Threats

- Competition from Big Companies
- Government Regulations
- Rapid Technological Advancement

SALES AND MARKETING

Our business primarily operates on a business-to-business (B2B) model, with a strategic emphasis on fostering strong, ongoing relationships with our customers to ensure efficient and timely delivery of products. To achieve this, our sales and marketing teams play a crucial role in day-to-day operations, managing a range of activities including securing new orders, quoting rates, and gaining a deep understanding of each customer's unique requirements. Through these efforts, we aim to ensure that every customer experience is seamless and value-driven.

To better serve our existing direct customers and continue expanding our customer base, we are actively working to increase our international presence. Our growth strategy involves establishing specialized teams with a primary focus on business development in key international markets. These dedicated teams will not only support our current client relationships but also work toward expanding our reach into new regions and industries where demand for our products is high.

To facilitate this expansion, we are concentrating our efforts on certain high-potential geographies, including the Africa, South East Asia and Middle East. Our focus in these regions will allow us to adapt to varying market dynamics and effectively address local customer needs. Through this targeted approach, we aim to build a strong brand presence in new markets, establish long-term customer relationships, and position ourselves as a trusted provider globally.

QUALITY POLICY AND CONTROL MEASURES

Our commitment to achieve and sustain reputation for quality in domestic market. We believe in offering competitive prices for our entire product range by introducing latest technology, deploying trained personnel along with adequate resources and striving towards continual improvement. We are also committed to fulfil the needs and expectation of our customers. We achieve this through active participation of our employees at all levels, in whom we kinder a spirit of pride and confidence.

We focus significantly on the quality of the raw materials and finished products at our manufacturing facilities to ensure the desired quality is attained. We have been awarded ISO 9001:2015, ISO 22000:2018 and ISO 45001:2018 for Research and Development, Manufacture and Supply of Sanitizer, Speciality Cleaning Chemicals.

Additionally, our manufacturing facility has been thoroughly assessed and certified as compliant with Islamic Law, earning us HALAL Certification.

ENVIRONMENT, HEALTH AND SAFETY

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and wastes and employee health and employee safety. For further information, see “*Key Industry Regulations and Policies*” beginning on page 138 of this Draft Prospectus. We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. We have also taken membership under Sarigam Clean Initiative, GIDC, Umbergaon, Gujrat. For further information, see “*Government and Other Statutory Approvals*” beginning on page 230 of this Draft Prospectus.

PLANTS AND MACHINERIES

Owned Plant and Machinery: as mentioned below

| SL No. | Name of Equipment (Major) | Quantity |
|--------|--------------------------------------|----------|
| 01 | Mixture Machine with Stirrer & Motor | 19 |
| 02 | Automatic Filling Machine | 2 |
| 03 | Semi-Automatic Filling Machine | 1 |
| 04 | Spiral Bulk Storage Tank | 6 |
| 05 | Air Compressor (Reciprocating) | 1 |
| 06 | Semi-Automatic Box Strapping Machine | 1 |
| 07 | Transfer Pump | 4 |
| 08 | Semi-Automatic Labelling Machine | 1 |

Leased/Rented Plant and Machinery: Nil

COMPETITION

Operating within the specialty chemicals segment, we face moderate competition from both domestic and international players, each bringing unique strengths to the market. To differentiate ourselves, we recognize that delivering exceptional service and product quality is not just advantageous—it is essential to thrive in this highly competitive landscape. Our extensive industry experience equips us with deep insights into customer needs, allowing us to anticipate and consistently exceed their expectations. By focusing on innovation, responsiveness, and personalized service, we aim to create a value proposition that goes beyond product features, fostering long-term customer loyalty.

While pricing is undoubtedly a significant factor for many clients, we have developed a strategic approach that balances competitiveness with value. Our pricing structures are carefully crafted to be both attractive and sustainable, ensuring that our customers receive high-quality products without compromising on cost-efficiency. This approach enables us to retain existing clients and appeal to new ones who seek both quality and affordability. Through this commitment to value-driven pricing and service excellence, we aim to solidify our position as a trusted leader in the specialty chemicals market, staying ahead of competitors while building enduring customer relationships.

INSTALLED CAPACITY & CAPACITY UTILIZATION

Our product portfolio has been strategically classified into three primary segments to streamline operations and optimize resource allocation. For each segment, we have outlined both the installed capacity (maximum production capacity based on current infrastructure) and the utilized capacity (actual production output relative to demand and operational efficiency). This approach allows us to assess performance, identify growth opportunities, and ensure alignment with market needs.

Industrial Products:

| Particulars | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---------------------------|---|----------------|----------------|----------------|
| Name of Products | Alkaline and Acidic Cleaners, Lubricants, Descalers, Foam Cleaners, Defoamer, Antiscalant and Disinfectants | | | |
| Installed Capacity (MTPA) | 4200.00 | 8400.00 | 8400.00 | 8400.00 |
| Actual Production (MTPA) | 3176.23 | 5572.11 | 4393.13 | 1632.04 |
| Utilization (%) | 75.62% | 66.33% | 52.30% | 19.43% |

MTPA: Metric Ton per Annum

House Keeping Products:

| Particulars | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---------------------------|--|----------------|----------------|----------------|
| Name of Products | Bathroom and Floor Cleaners, Shampoos, Detergent Powders, Fabric Softeners, Glass Cleaners, Grill Cleaners, and Room Fresheners. | | | |
| Installed Capacity (MTPA) | 1200.00 | 2400.00 | 2400.00 | 2400.00 |
| Actual Production (MTPA) | 659.01 | 1231.41 | 1050.03 | 607.46 |
| Utilization (%) | 54.92% | 51.31% | 43.75% | 25.32% |

MTPA: Metric Ton per Annum

Drug & Cosmetic Products:

| Particulars | September 30, 2024 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
|---------------------------|---|----------------|----------------|----------------|
| Name of Products | Hand Washes, Hand Sanitizers, Germicidal Cleaners, and Disinfectant Floor Cleaners. | | | |
| Installed Capacity (MTPA) | 600.00 | 1200.00 | 1200.00 | 1200.00 |
| Actual Production (MTPA) | 164.76 | 307.48 | 261.84 | 67.50 |
| Utilization (%) | 27.46% | 25.62% | 21.82% | 5.63% |

MTPA: Metric Ton per Annum

Certified by M/s. K J Consultants, Independent Chartered Engineer vide certificate dated January 24, 2025

UTILITIES

Power

Our registered office, located in Borivali, Mumbai, benefits from a consistent and uninterrupted power supply, ensuring smooth and efficient operations. This facility is powered by Adani Electricity. With a sanctioned load of 11 KW, the office's energy requirements are comfortably met, enabling us to maintain optimal productivity in administrative and managerial functions without disruptions.

Similarly, our manufacturing facility situated at GIDC Sarigam, Gujarat, is powered by Dakshin Gujarat Vij Company Limited (DGVCL). The sanctioned load of 100 KW is substantial and adequately supports the operation of all machinery and equipment, facilitating seamless manufacturing processes. This dependable power infrastructure is critical for maintaining the high standards of efficiency and output that define our operations, reinforcing our commitment to delivering quality and reliability in all aspects of our business.

Water

Our manufacturing facility is equipped with a reliable and adequate water supply to support our production and operational needs. Water is sourced from the Gujarat Industrial Development Corporation (GIDC), ensuring a consistent and high-quality supply that is utilized across various manufacturing processes as well as for other general facility requirements.

In addition to this external supply, we have implemented an in-house Reverse Osmosis (RO) Plant with a capacity of 3,000 litres per hour (LPH) at our factory premises. This RO Plant not only enhances our water quality but also provides a sustainable solution for managing our water resources, ensuring that we meet the stringent quality standards required for our manufacturing processes.

HUMAN RESOURCE

At Satol, we believe our employees are the backbone of our success, and we are deeply committed to attracting, nurturing, and retaining the industry's best talent. Recognizing that our people are our greatest asset, we have a recruitment strategy that focuses on finding individuals with the right skills, relevant experience, and a passion for excellence. By aligning our hiring approach with our vision for growth, we build a workforce that meets and often exceeds the demands of our industry. Our team combines the wisdom of experienced professionals with the fresh perspectives of younger talent, fostering a balanced environment where stability and innovation thrive.

Our operations span multiple locations, with employees at both our registered office and manufacturing facility. To further support our growth, we have developed a dedicated marketing division staffed by skilled professionals focused on expanding our market reach and enhancing customer relationships. This team plays a vital role in driving our sales and reinforcing our brand presence. Through a supportive and growth-oriented culture, we empower our employees to achieve their fullest potential, ensuring that Satol remains at the forefront of industry excellence.

As on December 31, 2024 the Company have employed a total of 126 employees, the category wise details are hereunder:

At Our Factory Premises:

| Sr. No. | Department/Category | No. of Employees |
|--------------|---------------------|------------------|
| 01 | Production | 12 |
| 02 | Accounts | 3 |
| 03 | Quality | 8 |
| 04 | Dispatch | 2 |
| 05 | Packing | 5 |
| 06 | Store | 3 |
| 07 | Helper | 13 |
| 08 | Sweeper | 2 |
| 09 | Electrical Engineer | 1 |
| 10 | Factory Manager | 1 |
| 11 | Office Assistant | 1 |
| 12 | Fitter | 1 |
| 13 | Maintenance | 1 |
| Total | | 53 |

At Our Registered Office:

| Sr. No. | Department/Category | No. of Employees |
|--------------|---------------------|------------------|
| 01 | Tender Executive | 1 |
| 02 | Front Office | 2 |
| 03 | Purchase | 3 |
| 04 | Logistics | 1 |
| 05 | Accounts | 4 |
| 06 | Compliance | 1 |
| 07 | Export Executive | 1 |
| 08 | Digital/Graphic | 2 |
| 09 | Human Resource | 2 |
| 10 | Marketing | 58 |
| Total | | 80 |

Casual/Contract labours are engaged on need basis

As on December 31, 2024, 132 employees are covered under EPF.

INSURANCE POLICIES

| Policy No. | Policy Type | Name of the Insurer | Asset Insured | Sum Assured (₹ in lakhs) | Valid Till |
|--------------------------|---|---------------------------------------|--|--------------------------|---------------------|
| 14030011244 300000104 | New India Bharat Laghu Udyam Suraksha Policy | The New India Assurance Co. Ltd | <u>Risk Location:</u> Plot No. 4923, Near Techno Trap, Plastic Zone, Manda Village, GIDC Sarigam, Tal. Umargaon, Dist. Valsad, Gujrat – 396155 <u>Coverage:</u> Building including plinth, Basement and additional structures: ₹ 450.00 lakhs Furniture & Fixtures, Fittings and other equipment: ₹ 70.00 lakhs Plant & Machinery: ₹ 170.00 lakhs Office Equipment, Computer, Printers, Telecom and other similar items: ₹ 15.00 lakhs Finished Products: ₹ 560.00 lakhs | ₹ 1,265.00 lakhs | January 18, 2026 |



IMMOVABLE PROPERTIES**Owned Property:**

| Address | Details of the Deed/ Agreement | Area of Property | Usage |
|---|---|------------------|---------------------------|
| Plot No. 4923, Near Techno Trap, Plastic Zone, Manda Village, GIDC Sarigam, Tal. Umargaon, Dist. Valsad, Gujrat - 396155 | Deed of Sale dated February 22, 2021 executed between M/s. Hitech Corporation Limited ("Seller") and M/s. Satol Chemicals Pvt Ltd ("Buyer") | 2000 Sq. Mtr | Manufacturing Facility |

Leased Property:

| Address | Details of the Deed/ Agreement | Area of Property | Tenure of Lease | Usage |
|--|--|-------------------|---------------------------|-------------------|
| 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India. | Rent Agreement dated November 18, 2024 executed between Mr. Bhavesh Thakarshibhai Prasana ("Lessor") and M/s. Satol Chemicals Limited ("Lessee") | 1,044 square feet | 24 months till 15/08/2026 | Registered Office |

INTELLECTUAL PROPERTY RIGHTS**Trademarks:**

| Trademark | Registration No/ Application No | Class of Registration | Trademark Type | Date of Issue/ Application | Valid Up to |
|---|---------------------------------|-----------------------|----------------|----------------------------|------------------|
|  | 6015380 | 3 | Device | July 11, 2023 | July 11, 2033 |
| SATIC - 50 | 5849167 | 1 | Device | March 15, 2023 | March 15, 2033 |
| SATIC - 50 | 5849168 | 3 | Device | March 15, 2023 | March 15, 2033 |
| STENZA | 2549173* | 1 | Word | June 15, 2013 | June 15, 2033 |
|  | 1245205** | 1 | Device | October 22, 2003 | October 22, 2033 |

* The trade mark was originally registered in the name of Satol Chemicals, a proprietorship concern, Mr. Bhavesh T Parsana being the proprietor. Vide Assignment deed dated 16th May, 2024; the said trade mark was transferred to our Company.

** The trade mark was originally registered in the name of Satol Chemicals, a partnership firm, Mr. Bhavesh T Parsana and Mr. Mahesh T Parsana being the partners. Vide Assignment deed dated 16th May, 2024; the said trade mark was transferred to our Company.

Domain:

| Domain Name | Registry Domain ID | Creation Date | Expiry Date |
|------------------------|---------------------------|-------------------|-------------------|
| satol.net ¹ | 689117522_DOMAIN_NET-VRSN | November 28, 2006 | November 28, 2027 |

¹ The domain is registered in the name of Satol Chemicals, a proprietorship concern, Mr. Bhavesh T Parsana being the proprietor. The right to use of the said domain is given to our Company vide letter dated 16th May, 2024.

COLLABORATION/TIE-UPS/JOINT VENTURES DETAILS:

Except as disclosed in the Draft Prospectus, our company do not have any collaboration/tie-ups/joint ventures.

EXPORT AND EXPORT OBLIGATIONS:

As on date of this Draft Prospectus, our Company does not have any export obligations.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable.

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.

*In addition to what has been specified in this draft prospectus, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labour laws and other miscellaneous laws apply to us as they do to any other Indian company. 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. For details of government approvals obtained by us, see the chapter titled “**Government and Other Approvals**” beginning on page no 230 of this draft prospectus.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our company

APPROVALS

*For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “**Government and Other Approvals**” beginning on page number 230 of this draft prospectus.*

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Fire Services Act, 1981

The Fire Services Act provides the legal framework for the establishment and organization of fire services, fire fighting, fire safety, and the protection and rescue of persons and property. Some of the main provisions include: Powers of fire brigade members to extinguish fires, including breaking into premises, shutting off water mains, and dispersing obstructing crowds requirement for police officers to aid the fire brigade in executing its duties, including closing streets and removing obstructing persons immunity from liability for police officers and fire brigade members acting in good faith Procedures for investigating the origin and cause of fires and reporting to the District Magistrate Provisions for fire prevention and fire safety measures in buildings, with penalties for non-compliance fees that can be charged for the fire brigade responding to fires outside its jurisdiction powers to license fireworks displays and control their use the Act aims to establish an organized and effective fire service, empower it to respond to emergencies, and ensure fire safety in buildings and public places. It provides legal authority and protections for fire personnel, as well as penalties for obstructing fire-fighting efforts or failing to comply with fire safety requirements.

The Bureau of Indian Standards (BIS) Act, 2016

The Bureau of Indian Standards (BIS) Act, 2016 establishes the BIS as India's national standards body, replacing the previous Bureau of Indian Standards Act, 1986. The Act empowers the central government to make it mandatory for certain goods, processes, articles, etc. to carry the standard mark in the public interest, for safety, environment, national security or to prevent unfair trade practices. It allows for multiple simplified conformity assessment schemes, including self-declaration of conformity against standards, to improve ease of doing business. The Act enables product recall and repair provisions for products bearing the standard mark but not conforming to the relevant Indian standard. It also makes hallmarking of precious metal articles mandatory under the BIS (Hallmarking) Regulations, 2018.

CORPORATE AND COMMERCIAL LAWS

The Companies Act, 2013

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entities as companies. The Act provides regulatory and compliance mechanisms regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law lays down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Competition Act, 2002

The Competition Act, 2002 came into effect on June 1, 2011 and has been enacted to “prohibit anti- competitive agreements, abuse of dominant positions by enterprises” and regulate “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of contract and effects of breach of a contract. The Act consists of limiting factors subject to which a contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which a promise made by the parties to a contract shall be legally binding on them.

The Consumer Protection Act, 2019

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers’ disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressed forums set up under the Act.

Negotiable Instruments Act, 1881

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the Cheque which is punishable with imprisonment as well as fine.

The Registration Act, 1908 (“Registration Act”)

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

Indian Stamp Act, 1899 (the “Stamp Act”)

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The Arbitration and Conciliation Act, 1996

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019 (the “Code”)

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (I) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees' and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them.

The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made thereunder.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

Industrial Relations Code, 2020

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows:

- **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a lab or court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

- **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

- **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressed for workmen in different.

Code on Social Security, 2020

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate 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 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

- **Employee’s Compensation Act, 1923**

The Employees’ Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees’ Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees’ Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

- **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

- **Employee's State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

- **Employee's Provident Fund and Miscellaneous Provisions Act, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

- **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

The Employees' Pension Scheme, 1995

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

Employees' Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to the Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013 (the "Act")

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”)

The “CLPR Act” seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

Fire Prevention Laws and The National Building Code of India, 2016

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance. The National Building Code (NBC) promulgates legal provisions governing the safety of individuals within specific categories of structures, encompassing public, residential, industrial buildings and others as stated within categories provided therein. These provisions encompass a wide array of critical aspects, including but not limited to fire safety, disaster management and precautions, as well as accessibility.

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

- **Public Liability Insurance Act, 1991 (“PLI Act”)**

The Public Liability Insurance Act of 1991 is an Indian legislation aimed at providing compensation to victims of accidents occurring while handling hazardous substances. It mandates that industries dealing with such substances must have insurance coverage to compensate for any damages or injuries caused to the public. The Act sets out the requirements for liability insurance and the procedures for claims and compensation. It aims to ensure that businesses take responsibility for potential harm caused by their operations and provides a mechanism for affected parties to seek redress.

- **Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979**

The Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979, aims to regulate the employment and conditions of service of inter-state migrant workers in India. It requires employers to register such workers, maintain records of their employment, and ensure certain minimum conditions of work and amenities for them. The Act also provides for the licensing of contractors who recruit or employ inter-state migrant workers and imposes obligations on them regarding the payment of wages, provision of facilities, and ensuring the workers’ welfare. The Act seeks to protect the rights and interests of inter-state migrant workers and prevent their exploitation.

- **Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)**

The Contract Labour (Regulation and Abolition) Act, 1970 (CLRA) is a key piece of legislation in India designed to regulate the employment of contract labour in certain establishments and to provide for its abolition under specific circumstances. The Act aims to ensure fair wages, proper working conditions, and to prevent exploitation by stipulating the licensing of contractors and the registration of principal employers. Complementing the CLRA, the Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules) provide detailed procedures and guidelines for the implementation of the Act. These rules outline the responsibilities of contractors and principal employers, including the provision of essential amenities and welfare measures for contract laborers, thereby reinforcing the regulatory framework established by the CLRA.

ENVIRONMENT RELATED LAWS

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an “umbrella”; legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with “environment” defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

The Environmental Impact Assessment Notification, 2006 (the “Notification”)

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central Government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central Government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme ‘Housing for All by 2022’ and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant bylaws of the concerned State authorities.

The Water (Prevention and Control of pollution) Act, 1974 (the “Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)

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

The Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town, was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 make the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, inter alia, include segregation and storage of waste generated by them in the manner prescribed in the Waste Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state PCB for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste.

Hazardous and Other Wastes (Management and Tran boundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

National Green Tribunal Act, 2010

The NGT Act is an act under which the National Green Tribunal ("NGT") has been constituted for the effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto. The Tribunal's jurisdiction in environmental matters shall provide speedy environmental justice and help reduce the burden of litigation in the higher courts. The Tribunal shall not be bound by the procedure laid down under the Code of Civil Procedure, 1908, but shall be guided by principles of natural justice. The tribunal is mandated to make and endeavour for disposal of applications or appeals finally within 6 months of filing of the same. Initially, the NGT is proposed to be set up at five places of sittings and will follow circuit procedure for making itself more accessible; New Delhi is the Principal Place of Sitting of the Tribunal and Bhopal, Pune, Kolkata, Allahabad and Chennai shall be the other place of sitting of the Tribunal.

TAX RELATED LEGISLATIONS

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

Integrated Goods and Service Tax Act, 2017

Integrated Goods and Services Tax Act, 2017 (“IGST Act”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act. Further, the Company is also governed by the Maharashtra Goods and Services Tax Act, 2017 for levy and collection of tax on intra-State supply of goods and services or both.

Further, the Company is also governed by the Odisha Goods and Services Tax Act, 2017 for levy and collection of tax on intra-State supply of goods and services or both.

Customs Act, 1962 and the Customs Tariff Act, 1975

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any company requiring to import or export any goods is required to get itself registered under this Act and obtain an IEC (Importer Exporter Code). The Customs Tariff Act, 1975 provides the rates at which duties of customs will be levied under the Customs Act, 1962.

The Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- The Trade Marks Act, 1999
- Design Act, 2000

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

Trade Marks Act, 1999 (“TM Act”)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

The Designs Act, 2000

The Designs Act, 2000 is an Indian law that deals with the registration of designs, copyright in registered designs, industrial and international exhibitions, legal proceedings, powers and duties of Controller of Design, and other related matters. It came into force on May 11, 2001, and replaced the Designs Act, 1911, with some minor changes and additional provisions relating to the TRIPS Agreement. The Act defines a design as the features of shape, configuration, pattern, ornament, or composition of lines or colors applied to any article, which appeal to and are judged solely by the eye. The Act provides for the registration of designs, and by registering a design, the owner obtains certain exclusive rights over the design for a period of 15 years. The Act also prescribes an easy and clear procedure for registering one's design. However, the protection period of 15 years is seen as a disadvantage by some.

FOREIGN TRADE REGULATIONS

Foreign Exchange Management Act, 1999 (the “FEMA”) and Regulations framed thereunder

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 (Non-debt Instruments) Rules, 2019 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

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Foreign Trade Policy, 2023 provides that no person or company can make exports or imports without having obtained an importer exporter code (“IEC”) number unless such person or company is specifically exempted. The application process for obtaining an IEC number or updation in the IEC number is completely online. Failure to obtain the IEC number shall attract penalty under the FTA.

Ownership restriction of FII

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

Laws related to Overseas Investment by Indian Entities

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in suppression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI has vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

Foreign Trade Policy, 2023

The Central Government of India in exercise of powers conferred under Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992) [FT (D&R) Act], as amended, has notified Foreign Trade Policy (FTP) 2023 which is effective from April 01, 2023 and shall continue to be in operation unless otherwise specified or amended. It provides for a framework relating to export and import of goods and services. All exports and imports made up to 31.03.2023 shall, accordingly, be governed by the relevant FTP, unless otherwise specified.

OTHER APPLICABLE LAWS

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stakeholders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180 days.

The Micro, Small and Medium Enterprises Act, 2006

The Micro, Small and Medium Enterprises Development Act, 2006 as amended from time to time (MSMED Act) seeks to facilitate the development of micro, small and medium enterprises. The MSMED Act provides that where an enterprise is engaged in the manufacturing and production of goods pertaining to any industry specified in the first schedule to the Industries (Development and Regulation) Act, 1951, the classification of an enterprise will be as follows:

- where the investment in Plant and Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees shall be regarded as a Micro Enterprise;
- where the investment in Plant and Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees shall be regarded as a Small Enterprise;
- where the investment in Plant and Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees shall be regarded as a Medium Enterprise.

The MSMED Act provides for the memorandum of micro, small and medium enterprises to be submitted by the relevant enterprises to the prescribed authority. While it is compulsory for medium enterprises engaged in manufacturing to submit the memorandum, the submission of the memorandum by micro and small enterprises engaged in manufacturing is optional. The MSMED Act defines a supplier to mean a micro or small enterprise that has filed a memorandum with the concerned authorities. The MSMED Act ensures that the buyer of goods makes payment for the goods supplied to him immediately or before the date agreed upon between the buyer and supplier.

The MSMED Act provides that the agreed period cannot exceed forty-five days from the day of acceptance of goods it also stipulates that in case the buyer fails to make payment to the supplier within the agreed period, then the buyer will be liable to pay compound interest at three times of the bank rate notified by the Reserve Bank of India from the date immediately following the date agreed upon. The MSMED Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council ("Council"). The Council has jurisdiction to act as an arbitrator or conciliator in a dispute between the supplier located within its jurisdiction and a buyer located anywhere in India.

The MSMED act provides for appointment and establishment of National Board by the Central Government for MSME enterprise with its head office at Delhi. The Central Government may from time to time for the purpose of promotion and development of the MSME and to enhance the competitiveness in the sector organise such programmes, guidelines or instructions, as it may deem fit. In case of any offences under this act, no court inferior to that of Metropolitan Magistrate or Chief Metropolitan Magistrate shall try the offence under this Act.

Municipality Laws

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Approvals from Local Authorities

Approvals from Local Authorities Setting up of a factory or manufacturing / housing unit entails the requisite planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

The West Bengal Shops and Establishments Act, 1963

The West Bengal Shops and Establishments Act, 1963 is a state-level legislation that comprehensively regulates the working conditions and employment terms in shops, commercial establishments, restaurants, theatres, and other such enterprises operating in West Bengal. The Act mandates the registration and licensing of all such establishments, prescribes maximum working hours and entitlements for employees like paid holidays and leave, lays down basic health and safety standards for the workplace, requires timely payment of wages and overtime compensation, and empowers the government to appoint inspectors to enforce compliance, with penalties for violations. As a comprehensive framework governing the employment practices and workplace environment in the commercial sector of West Bengal, compliance with the Shops and Establishments Act is mandatory for all relevant establishments in the state.

Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability in the form of payment of damages by way of compensation on a body corporate for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, (“DoIT”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediary Rules”) requiring intermediaries and publishers receiving, storing, transmitting, or providing any service with respect to electronic messages or any other information to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediary Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries. The IT Intermediary Rules further requires the intermediaries to provide for a grievance redressal mechanism and appoint a nodal officer and a resident grievance officer.

OUR HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as a Private Limited Company in the name of “*Satol Chemicals Private Limited*” on October 23, 2020 under the provisions of Companies Act, 2013 bearing Corporate Identification Number U24290MH2020PTC348489 issued by Registrar of Companies, Central Registration Centre. Subsequently, our company was converted into Public Limited Company and the name of our Company was changed to “*Satol Chemicals Limited*”. This alteration was formally recorded in a new Certificate of Incorporation dated July 01, 2024, with the Corporate Identification Number U24290MH2020PLC348489, issued by the Registrar of Companies, Central Processing Centre.

REGISTERED OFFICE

102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India.

CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION

There has not been any change in our Registered Office since inception of the Company till the date of the Draft Prospectus.

MAIN OBJECTS OF OUR COMPANY:

The Main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. *To manufacture, buy, sell, exchange, distribute, import, export, produce, refine, process, formulate, mix, prepare, enrich, mine, acquire, own, hold, use, mortgage, pledge, assign, transfer barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, procure, supply, treat, work and to act as agent, broker, representative consultants, collaborators, stockists, liaisoner, job workers, or otherwise dispose of, trade, deal in any and all classes, kinds, types of commercial, industrial, institutional cleaners and disinfectants and in all types of chemicals, their by-products, mixtures, formulations, intermediates, derivatives, compounds, heavy chemicals, petrochemicals, fine chemicals, inorganic and organic chemicals, source materials, ingredients, and any and all kinds of products of which any of the foregoing constitutes an ingredient in the preparation, formulation, mixtures or production..*

The main objects clause as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association:

| Date of Amendment / Shareholders' resolution | Nature of Amendment |
|--|---|
| April 06, 2024 | <ul style="list-style-type: none"> • <i>Amendment to Clause I of the Memorandum of Association to reflect the alteration in the company's name from " Satol Chemicals Private Limited " to " Satol Chemicals Limited" consequent to its conversion from a private limited company to a public limited company.</i> |
| August 19, 2024 | <ul style="list-style-type: none"> • <i>Alteration in the Clause 5 of MoA pursuant to increase in Authorised Share Capital from ₹ 15,00,000/- divided into 1,50,000 Equity Shares of ₹ 10/- each to ₹ 16,00,00,000/- divided into 1,60,00,000 Equity Shares of ₹ 10/- each</i> |

CORPORATE PROFILE OF OUR COMPANY

Details regarding the description of our Company’s activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, distributors and customers, segment, capacity/facility creation, launch of key products, entry in new geographies, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled “*Our Business*”, “*Our Management*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 111, 154 and 214 respectively, of this Draft Prospectus.

MAJOR EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

The table below sets forth some of the major events in the history of our Company:

| <i>Calendar Year</i> | <i>Key Events & Milestones</i> |
|----------------------|---|
| 2020 | ○ <i>Company incorporated as a Private Limited Company in the name of “Satol Chemicals Private Limited”</i> |
| 2021 | ○ <i>Establishment of the manufacturing facility in Plot No. 4923, Near Technotrap, Plastic Zone, Manda Village, GIDC Sarigam, District- Valsad- 396155, Gujarat, India</i> |
| 2022 | ○ <i>Received Quality Management System certificate – ISO 9001:2015; Occupational Health & Safety Management System Certificate - ISO 45001:2018</i> |
| 2024 | ○ <i>Company converted from Private Limited Company to Public Limited Company i.e., Satol Chemicals Limited</i> |

SIGNIFICANT FINANCIAL AND STRATEGIC PARTNERSHIPS

As on the date of this Draft Prospectus, our Company does not have any significant strategic or financial partners.

TIME/COST OVERRUN IN SETTING UP PROJECTS

As on the date of this Draft Prospectus, there has been no time and cost overruns in the Company.

LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/FACILITY CREATION OR LOCATION OF STORES

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation and location of stores, see “*Our Business*” and “*History and Certain Corporate Matters*” on pages 111 and 151 of this draft prospectus.

DEFAULTS, RESCHEDULING OR RESTRUCTURING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS

As on the date of this Draft Prospectus, there has been no default, rescheduling or restructuring of borrowings with financial institutions or banks.

DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS, ETC. IN THE LAST 10 YEARS

Except as mentioned in chapter “*History and Certain Corporate Matters*” beginning on page no. 151, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Draft Prospectus.

HOLDING COMPANY

As on the date of this Draft Prospectus, our Company do not have any holding company.

JOINT VENTURES OF OUR COMPANY

As on the date of this Draft Prospectus, our Company does not have any joint ventures.

SUBSIDIARIES OF OUR COMPANY

As on the date of this Draft Prospectus, our Company does not have any subsidiaries.

ASSOCIATES OF OUR COMPANY

As on the date of this Draft Prospectus, our Company does not have any associates.

DETAILS OF SHAREHOLDERS' AGREEMENT

As on date of this Draft Prospectus, there are no subsisting shareholders' agreements among our shareholders vis-à-vis our Company.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT, DIRECTORS, PROMOTERS OR ANY OTHER EMPLOYEE

Neither our Promoters, nor any of the Key Managerial Personnel or Senior Management, Directors or employees of our Company have entered into an agreement, 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 the dealings of the securities of our Company.

MATERIAL AGREEMENTS

Our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.

For details on business agreements of our Company, see "*Our Business*" beginning on page 111 of this Draft Prospectus.

GUARANTEES GIVEN BY OUR PROMOTERS

Our Promoters have not given any guarantee to any third parties as on the date of this Draft Prospectus except in favour of Lending Bank as collateral security for the Borrowings of the Company.

CAPITAL RAISING (DEBT / EQUITY)

Except as set out in the Sections titled "*Capital Structure*" and "*Financial Indebtedness*" beginning on page no 58 and 212 respectively of this Draft prospectus, our Company has not raised any capital in the form of Equity Shares or debentures.

INJUNCTION OR RESTRAINING ORDER

Our company is not operating under any injunction or restraining order.

DETAILS REGARDING PAST PERFORMANCE OF THE COMPANY.

For details in relation to our past financial performance in the previous 3 (three) financial years, please refer to Section titled "*Financial Statements as restated*" beginning on page no. 178 of this Draft prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY DURING THE LAST TEN (10) YEARS

Except as mentioned in chapter "*Our History and Certain Corporate Matters*" beginning on page no. 151 of Draft Prospectus, there have been no changes in the activity of our Company during the last ten (10) years preceding as on the date of this Draft prospectus, which may have had a material effect on the profits or loss, including discontinuance of the lines of business, loss of agencies or markets and similar factors of our Company.

SHAREHOLDERS OF OUR COMPANY

As on the date of this Draft Prospectus, our Company has 7 (Seven) shareholders. For further details in relation to the current shareholding pattern, please refer to Section titled "*Capital Structure*" beginning on page no. 58 of this Draft Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

As on the date of Draft Prospectus, our Company has 6 (Six) Directors on our Board consisting 1 (one) Managing Director, 1 (one) Executive Director, 2 (Two) Non-Executive Directors, and 2 (Two) Independent Directors. There are 2 (Two) Women Directors in our Board. The details of the Directors are as follows:

The details of the Directors are as follows:

| Sl. No. | Name of the Director | DIN | Current Designation | Date of Joining# |
|---------|-------------------------------|----------|------------------------|------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 08515430 | Managing Director | 23-10-2020 |
| 2 | Mayuri Bhavesh Parsana | 01302733 | Executive Director | 23-10-2020 |
| 3 | Dnyanesh Vishnu Darshane | 08515431 | Non-Executive Director | 10-07-2024 |
| 4 | Ravikumar Shriram Malkhede | 08447589 | Non-Executive Director | 10-07-2024 |
| 5 | Darshil Hemendrakumar Shah | 09013533 | Independent Director | 10-07-2024 |
| 6 | Shivani Kapoor | 10533998 | Independent Director | 10-07-2024 |

Original date of appointment as per MCA database.

The following table sets forth details regarding the Board of Directors as on the date of this draft prospectus:

| Sl. No. | Particulars | Details |
|----------------|---|--|
| 1 | Name of the Director | Bhavesh Thakarshibhai Parsana |
| | Father's Name | Thakarshibhai Muljibhai Parsana |
| | Residential Address | A/1303, 13th Floor, Aditya Tower, Chandavarkar Lane, Opposite Municipal Garden Borivali, West Mumbai - 400103, Maharashtra, India |
| | Date of Birth | 18-12-1976 |
| | Age | 47 years |
| | Designation | Managing Director |
| | DIN | 08515430 |
| | Occupation | Business |
| | Nationality | Indian |
| | Qualification | Master of Science in Chemistry |
| | No. of Years of Experience | More than 17 years in Industrial & Institutional Cleaning and Sanitation Chemicals Industry, for further details please refer "Brief Biographies of Directors" as mentioned below. |
| | Date of Appointment | 23-10-2020; Redesignated as Managing Director with effect from 10-07-2024 |
| | Terms of Appointment | Appointed for a period of 5 years; Not liable to retire by rotation |
| | Directorship in other companies | Nil |
| Other Ventures | <ul style="list-style-type: none"> Safo Industries Solutions LLP (Strike Off) Satol Chemicals (Proprietorship Firm) | |

| Sl. No. | Particulars | Details |
|----------------|---------------------------------|---|
| 2 | Name of the Director | Mayuri Bhavesh Parsana |
| | Father's Name | Bhikubhai Shamji Surani |
| | Residential Address | A/1303, 13th Floor, Aditya Tower, Chandavarkar Lane, Opposite Municipal Garden Borivali, West Mumbai - 400103, Maharashtra, India |
| | Date of Birth | 30-10-1975 |
| | Age | 48 years |
| | Designation | Executive Director |
| | DIN | 01302733 |
| | Occupation | Business |
| | Nationality | Indian |
| | Qualification | Bachelor of Arts |
| | No. of Years of Experience | More than 4 years in Industrial & Institutional Cleaning and Sanitation Chemicals Industry, for further details please refer "Brief Biographies of Directors" as mentioned below. |
| | Date of Appointment | 23-10-2020 |
| | Terms of Appointment | Liable to retire by rotation |
| | Directorship in other companies | Nil |
| Other Ventures | Nil | |

| Sl. No. | Particulars | Details |
|----------------|--|--|
| 3 | Name of the Director | Dnyanesh Vishnu Darshane |
| | Father's Name | Vishnu Shivram Darshane |
| | Residential Address | 502, Vishwas Chs Phiroj Shaha Mehta Road, Mumbai, Vileparle (East), Mumbai Suburban – 400057, Maharashtra, India 200 Windsor Gate CV NE, Atlanta – 30342, GA, USA 200 Windsor Gate CV NE, Atlanta – 30342, GA, USA |
| | Date of Birth | 01-07-1963 |
| | Age | 61 years |
| | Designation | Non-Executive Director |
| | DIN | 08515431 |
| | Occupation | Service |
| | Nationality | United States of America Overseas Citizen of India Card Holder |
| | Qualification | Master of Science in Analytical Chemistry; PhD Science |
| | No. of Years of Experience | More than 38 years of experience in Quality Assurance and Operations, for further details please refer "Brief Biographies of Directors" as mentioned below |
| | Date of Appointment | 10-07-2024 |
| | Terms of Appointment | Liable to retire by rotation |
| | Directorship in other companies | <ul style="list-style-type: none"> • Parag Milk Foods Limited • Chem Activate Private Limited • IND Food and Beverage Association (Section 8 Company) |
| Other Ventures | Safo Industries Solutions LLP (Strike Off) | |

| Sl. No. | Particulars | Details |
|----------------|---------------------------------|---|
| 4 | Name of the Director | Ravikumar Shriram Malkhede |
| | Father's Name | Shriram Mahadev Malkhede |
| | Residential Address | B-1004 Vedanta Co-operative Housing Society, Near Wakad Post Office, Pune City, P.O- Wakad, Pune- 411057, Maharashtra, India |
| | Date of Birth | 05-05-1980 |
| | Age | 44 years |
| | Designation | Non-Executive Director |
| | DIN | 08447589 |
| | Occupation | Service |
| | Nationality | Indian |
| | Qualification | B. Tech in Petrochemical Technology; MBA in Marketing and Sales |
| | No. of Years of Experience | More than 4 years of experience in Industrial Cleaning and Hygiene technologies related to Food & Beverage Industry, for further details please refer "Brief Biographies of Directors" as mentioned below |
| | Date of Appointment | 10-07-2024 |
| | Terms of Appointment | Liable to retire by rotation |
| | Directorship in other companies | <ul style="list-style-type: none"> • Ravico Agro Food Products Private Limited • Synosure Technologies Private Limited • Techanand Scientific Private Limited |
| Other Ventures | Nil | |

| Sl. No. | Particulars | Details |
|---------------------------------|--|--|
| 5 | Name of the Director | Darshil Hemendrakumar Shah |
| | Father's Name | Hemendrakumar Jayantilal Shah |
| | Residential Address | 204, Skywalk, Opposite Sahjanandharmony Flat, Chenpur, Daskroi, Ahmedabad, Gujarat- 382481, India |
| | Date of Birth | 25-06-1989 |
| | Age | 35 years |
| | Designation | Independent Director |
| | DIN | 09013533 |
| | IDDB Registration No. with IICA | IDDB-NR-202012-034084 valid from December 31, 2020 to December 30, 2027 |
| | Occupation | Professional |
| | Nationality | Indian |
| | Qualification | Master of Commerce; Company Secretary and LLB |
| | No. of Years of Experience | More than 10 years in corporate governance, risk management and compliance, for further details please refer "Brief Biographies of Directors" as mentioned below |
| | Date of Appointment | 10-07-2024 |
| | Terms of Appointment | For 1 year till 09-07-2025; Not liable to retire by rotation |
| Directorship in other companies | <ul style="list-style-type: none"> • Rajgor Agro Limited • Chavda Infra Limited • Goenka Business & Finance Ltd | |
| Other Ventures | Nil | |

| Sl. No. | Particulars | Details |
|----------------|---------------------------------|---|
| 6 | Name of the Director | Shivani Kapoor |
| | Father's Name | Vinod Kumar Kapoor |
| | Residential Address | 202, Elegant Belvedere, 210, 5th cross, 3rd main, Defence Colony, Indir Nagar, Bengaluru- 560038, Karnataka, India |
| | Date of Birth | 03-02-1973 |
| | Age | 51 years |
| | Designation | Independent Director |
| | DIN | 10533998 |
| | IDDB Registration No. with IICA | IDDB-NR-202406-060542 valid from June 13, 2024 till lifetime |
| | Occupation | Service |
| | Nationality | Indian |
| | Qualification | MBA in Marketing |
| | No. of Years of Experience | More than 27 years of experience in business strategy, planning, digital and social marketing, for further details please refer "Brief Biographies of Directors" as mentioned below |
| | Date of Appointment | 10-07-2024 |
| | Terms of Appointment | For 1 year till 09-07-2025; Not liable to retire by rotation |
| | Directorship in other companies | Nil |
| Other Ventures | Digillium (Partnership Firm) | |

BRIEF BIOGRAPHIES OF THE DIRECTORS:

Bhavesh Thakarshibhai Parsana, aged 47 years, is one of the Promoters and Managing Director of our Company. He has been associated with our Company since incorporation as one of the First Directors. He holds a degree of Bachelor of Science from Gujarat University, completed in the year 2005 and Master of Science from Dr. C.V. Raman University, completed in the year 2013. He has more than 17 years of experience in chemical development and manufacturing process innovation also having expertise in identifying new markets, potential customers, and customer needs with a strong focus on surfactants, lubricants, and disinfectant cleaners, he has a proven track record in sales management, product application, and implementation within the Industrial & Institutional Cleaning and Sanitation Chemicals industry. As one of the Promoters and Managing Director, Mr. Parsana provides strategic direction, driving expansions and offering valuable guidance to the Board of Directors to ensure the company's growth and development.

Mayuri Bhavesh Parsana, aged 48 years, is one of the Promoters and Executive Director of our Company. She has been associated with our Company since incorporation as one of the First Directors. She holds a degree of Bachelor of Arts from Gujarat University, completed in the year 1996. With over 4 years of experience in providing insights in chemical manufacturing process, she is responsible for overseeing business strategy, profitability, financial operations and business growth.

Dnyanesh Vishnu Darshane, aged 61 years, is a Non-Executive Non-Independent Director of our Company. He holds a degree of Master of Science in Analytical Chemistry, passed in the year 1985 and Ph.D Science, passed in the year 1990, both from the University of Bombay. With over 38 years of extensive experience, he specializes in guiding companies in the development and validation of science-based models for new product categories, optimizing supply chains, and designing comprehensive Quality and Food Safety Strategies. As a Quality Assurance Manager and Director of Quality Operations in the Concentrate, Beverage, and pharmaceutical divisions of various companies, he has transformed approaches to Food Safety, Environmental Sustainability, Innovation, and Productivity, significantly enhancing performance, reducing environmental impact, and mitigating enterprise-wide risks. He has joined our Company as a Non-Executive Director with effect from July 10, 2024.

Ravikumar Shriram Malkhede, aged 44 years, is a Non-Executive Non-Independent Director of our Company. He holds a degree of Bachelor of Technology with specialization in Petrochemical Technology from Amravati University, completed in the year 2002 and Master of Business Administration from Dr. Babasaheb Ambedkar Marathwada University, completed in the year 2013. Mr. Malkhede is a result-oriented professional with 4 years of experience in sales management, product application and implementation in Industrial Cleaning and Hygiene technologies related to Food & Beverage Industry. As the Zonal Sales Manager for West India at our Company, he demonstrates a results-oriented approach, adept at identifying new markets, potential customers, and fulfilling the needs of clients. He has been appointed in our Company as a Non-Executive Director with effect from July 10, 2024.

Darshil Hemendrakumar Shah, aged 35 years, is a Non-Executive Independent Director of our Company. He holds a degree of Master of Commerce from Gujarat University, completed in the year 2011. He also holds a degree of Bachelor of Laws, completed in the year 2015. Since 2014, he has been an Associate Member of the Institute of Company Secretaries of India. With a decade of comprehensive experience, he specializes in corporate governance, risk management, and compliance, ensuring that the company operates with transparency, accountability, and ethical integrity. Currently, he serves as Company Secretary for a prominent listed company. He has joined our Company as a Non-Executive Independent Director with effect from July 10, 2024.

Shivani Kapoor, aged 51 years is a Non-Executive Independent Director of our Company. Having a degree of Master of Business Administration, completed in 1996, with specialisation in Marketing, she possesses more than 27 years of experience in business strategy, planning, digital and social marketing, brand management, retail marketing, campaign management. She has served as Chief Marketing Officer, Vice President & Global Head of Marketing in few companies. She has joined our Company as a Non-Executive Independent Director with effect from July 10, 2024.

FAMILY RELATIONSHIPS BETWEEN THE DIRECTORS

- Mr. Bhavesh Thakarshibhai Parsana is the spouse of Mrs. Mayuri Bhavesh Parsana.

ARRANGEMENTS WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a Senior Management as on the date of this draft prospectus.

SERVICE CONTRACTS

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN/WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGE DURING HIS/HER TENORS FOR A PERIOD BEGINNING FROM FIVE (5) YEARS PRIOR TO THE DATE OF THIS DRAFT PROSPECTUS

None of the Directors are/were directors of any company whose shares were suspended from being trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years or to the extent applicable.

DIRECTOR'S ASSOCIATION WITH THE SECURITIES MARKET

None of the Directors of our Company are associated with securities market.

COMMON DIRECTORSHIPS OF THE DIRECTORS IN LISTED COMPANIES THAT HAVE BEEN/WERE DELISTED FROM STOCK EXCHANGES IN INDIA DURING THEIR TENURE

None of the Directors are/were directors of any entity whose shares were delisted from any Stock Exchange(s). Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.

BORROWING POWERS OF THE BOARD

The Articles, subject to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorize the Board to raise, borrow or secure the payment of any sum or sums of money for the purposes of our Company. The Board of Director vide the special resolution passed at their Annual General Meeting dated September 30, 2024, allowed to borrow and that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 50 Crores.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING:

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME Platform of BSE Limited.

COMPENSATION OF OUR MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

The compensation payable to Managing Director and Executive Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2 (54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Executive Director:

| Particulars | Bhavesh Thakarshibhai Parsana |
|--|--|
| Appointment/Change in Designation | Originally appointed on 23-10-2020 and designation changed to Managing Director w.e.f. 10-07-2024 |
| Current Designation | Managing Director |
| Terms of Appointment | For a term of 5 Years; Not liable to retire by rotation |
| Remuneration, Perquisites and Benefits | <u>Remuneration</u> Upto ₹ 23,00,000/- (Rupees Twenty-Three Lakhs only) per annum by way of salary, perquisites, commissions and allowances as may be decided by the Board of Directors or with the recommendation of the Nomination & Remuneration Committee in this behalf. |
| Compensation paid in the FY 2023-24 | ₹ 18.00 Lakhs per annum |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financials years during his tenure, he will be paid remuneration as mentioned in Schedule V as may be approved by the shareholders of the Company. |

| Particulars | Mayuri Bhavesh Parsana |
|--|--|
| Appointment/Change in Designation | Originally appointed on 23-10-2020 |
| Current Designation | Executive Director |
| Terms of Appointment | Liabile to retire by rotation |
| Remuneration, Perquisites and Benefits | <u>Remuneration</u> Upto ₹ 10,20,000/- (Rupees Ten Lakh Twenty Thousand only) per annum. |
| Compensation paid in the FY 2023-24 | ₹ 10.20 Lakhs per annum |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financials years during his tenure, he will be paid remuneration as mentioned in Schedule V as may be approved by the shareholders of the Company. |

BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

We have no bonus or profit-sharing plan for our Directors.

PAYMENT OR BENEFIT TO NON-EXECUTIVE DIRECTORS OF OUR COMPANY

Apart from the remuneration to Executive Directors, if any as provided, our Non-Executive Directors are entitled to be paid a sitting fee up to the limits prescribed by the Companies Act, 2013 and the Rules made there under and actual travel, boarding and lodging expenses for attending the Board or committee meetings. They may also be paid commissions and any other amounts as may be decided by the Board in accordance with the provisions of the Articles, the Companies Act and any other applicable Indian laws and regulations. The sitting fees to the Non-Executive Director and Independent Directors of the Company for attending the meetings of the Board of Directors and meetings of the Committees of the Board of Directors are being paid in the following manner:

| Sr. No. | Name of Director | Fees for attending the meeting of | |
|---------|----------------------------|-----------------------------------|-----------------------------|
| | | Board of Directors | Committee Meetings |
| 1. | Ravikumar Shriram Malkhede | Up to Rs. 6,000 per meeting | Up to Rs. 2,000 per meeting |
| 2. | Dnyanesh Vishnu Darshane | Up to Rs. 6,000 per meeting | Up to Rs. 2,000 per meeting |
| 3. | Darshil Hemendrakumar Shah | Up to Rs. 6,000 per meeting | Up to Rs. 2,000 per meeting |
| 4. | Shivani Kapoor | Up to Rs. 6,000 per meeting | Up to Rs. 2,000 per meeting |

THE DETAILS OF THE SHAREHOLDING OF OUR DIRECTORS AS ON THE DATE OF THIS DRAFT PROSPECTUS ARE AS FOLLOWS:

| Sl. No. | Name of the Director Shareholder | Category/ Status | No. of Equity Shares | Percentage of Pre-Issue Capital (%) | Percentage of Post-Issue Capital (%) |
|---------|----------------------------------|------------------------|----------------------|-------------------------------------|--------------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | Managing Director | 98,78,637 | 88.55% | 64.33% |
| 2 | Mayuri Bhavesh Parsana | Executive Director | 12,74,120 | 11.42% | 8.30% |
| 3 | Dnyanesh Vishnu Darshane | Non-Executive Director | 601 | 0.01% | 0.00% |
| 4 | Ravikumar Shriram Malkhede | Non-Executive Director | 601 | 0.01% | 0.00% |

INTEREST OF OUR DIRECTORS

Our Directors may be deemed to be interested to the extent of their remunerations paid to them for services rendered and with the reimbursement of expenses payable to them as mentioned above. For further details, please refer to section titled **“Our Promoters and Promoter Group”** beginning on page no. 169 of this draft prospectus.

Further, none of our Directors have any interest in any property acquired by our Company within two (2) years of the date of this draft prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building. Further, except as disclosed under sub-section **“Shareholding of Directors in our Company”** above, none of our Directors hold any Equity Shares, Preference Shares or any other form of securities in our Company. Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Issue.

Other than as stated above and except as stated in the sections titled **“Financial Information as Restated”** and **“Our Promoters and Promoter Group”** beginning on pages 178 and 169 respectively of this draft prospectus, our Directors do not have any other interest in the business of our Company.

None of the relatives of our directors have been appointed to a place or office of profit in our Company other than mentioned elsewhere in the Draft prospectus. For further details, please refer to section titled **“Our Management”** on page no. 154 of this draft prospectus.

Our directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as directors, members, promoters, and /or trustees pursuant to this Issue. Some of the directors also hold directorships in Promoter Group and Group Entities of our Company.

Our directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Except as stated in this section **“Our Management”** or the section titled **“Financial Information – Related Party Transactions”** beginning on page no 154 and 209 respectively of this draft prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in the business of our Company.

CHANGES IN THE BOARD OF DIRECTORS OF OUR COMPANY IN THE LAST THREE (3) YEARS OR TO THE EXTENT APPLICABLE ARE AS FOLLOWS:

| Name | Date | Designation | Reason |
|-------------------------------|------------|------------------------|----------------|
| Bhavesh Thakarshibhai Parsana | 10-07-2024 | Managing Director | Re-designation |
| Dnyanesh Vishnu Darshane | 10-07-2024 | Non-Executive Director | Appointment |
| Ravikumar Shriram Malkhede | 10-07-2024 | Non-Executive Director | Appointment |
| Fayyaz Ahmed | 28-03-2024 | Non-Executive Director | Appointment |
| | 16-08-2024 | Non-Executive Director | Resignation |
| Darshil Hemendrakumar Shah | 10-07-2024 | Independent Director | Appointment |
| Shivani Kapoor | 10-07-2024 | Independent Director | Appointment |

OTHER CONFIRMATIONS:

- None of our Directors are on the RBI List of wilful defaulters or fraudulent borrowers as on the date of this draft prospectus.
- None of our Directors of our Company are a fugitive economic offender.
- Further, none of our directors are or were directors of any listed company whose shares.
 - (a) have been or were suspended from trading on any of the stock exchanges during the five years prior to the date of filing this draft prospectus or.
 - (b) delisted from the stock exchanges.
- None of the directors of our Company are debarred from accessing the capital market by SEBI.
- None of the Directors 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.

Except as disclosed in chapter titled “**Outstanding Litigations and Material Developments**” beginning on Page 225 of this Draft Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.

CORPORATE GOVERNANCE

In terms of Regulation 15(2)(b) of the SEBI Listing Regulations, compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the SEBI Listing Regulations shall not apply, in respect of listed entity which has listed its specified securities on the SME Exchange.

Furthermore, in terms of Regulation 15(3) of the SEBI Listing Regulations, notwithstanding Regulation 15(2) of the SEBI Listing Regulations, the provisions of the Companies Act, 2013 shall continue to apply, wherever applicable.

As per the abovementioned provisions of the Listing Regulations, we are not required to comply with the requirements of corporate governance relating to the composition of its board of directors, constitution of committees such as audit committee, nomination and remuneration committee, stakeholders’ relationship committee, etc., as provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Our Board has been duly constituted in compliance with the Companies Act. Our Board functions either as a full board or through various committees constituted to oversee specific functions. In compliance with the requirements of the Companies Act, our Board of Directors consists of 6 (Six) Directors (including Two Women Directors).

| Sl. No. | Name of the Director | DIN | Current Designation |
|---------|-------------------------------|----------|------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | 08515430 | Managing Director |
| 2 | Mayuri Bhavesh Parsana | 01302733 | Executive Director |
| 3 | Dnyanesh Vishnu Darshane | 08515431 | Non-Executive Director |
| 4 | Ravikumar Shriram Malkhede | 08447589 | Non-Executive Director |
| 5 | Darshil Hemendrakumar Shah | 09013533 | Independent Director |
| 6 | Shivani Kapoor | 10533998 | Independent Director |

COMMITTEES OF OUR BOARD

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

❖ *Audit Committee*

As per section 177 of the Companies Act, 2013, The Board of Directors of every listed public company and such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee. The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority: Provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statements.

Our Audit Committee was constituted pursuant to a resolution of our Board Meeting dated August 16, 2024. The Audit Committee comprises of:

| Name of Director | Status in Committee | Nature of Directorship |
|----------------------------|---------------------|------------------------|
| Darshil Hemendrakumar Shah | Chairperson | Independent Director |
| Shivani Kapoor | Member | Independent Director |
| Ravikumar Shriram Malkhede | Member | Non-Executive Director |

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Powers of Audit Committee: The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- To have full access to information contained in records of Company.

Role of Audit Committee: The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

- oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- 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;
- monitoring the end use of funds related through public offers and related matters
- 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 of 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 chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.
- Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law; and
- Carrying out any other functions as is mentioned in the terms of reference of the audit committee or containing into SEBI (LODR) Regulations 2015.

Further, the Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;
- management letters / letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

The Audit Committee shall meet at least four times in a year, and not more than one hundred and twenty days shall elapse between two meetings. The quorum of the meeting shall be either two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

❖ **Stakeholders' Relationship Committee**

As per section 178 (5) of the Companies Act, 2013, The Board of Directors of a Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board

Our Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board Meeting dated August 16, 2024. The Stakeholders' Relationship Committee comprises of:

| Name of Director | Status in Committee | Nature of Directorship |
|----------------------------|---------------------|------------------------|
| Ravikumar Shriram Malkhede | Chairperson | Non-Executive Director |
| Darshil Hemendrakumar Shah | Member | Independent Director |
| Mayuri Bhavesh Parsana | Member | Executive Director |

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Role of the Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee as per Regulation 20 and Part D of Schedule II of SEBI Listing Regulations, 2015 and Companies Act, 2013 shall be as under:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

The Stakeholders' Relationship Committee shall meet at least once in a financial year.

❖ **Nomination and Remuneration Committee**

As per section 178 (1) of the Companies Act, 2013, The Board of Directors of every listed public company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors: Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board Meeting dated August 16, 2024. The Nomination and Remuneration Committee comprises of:

| Name of Director | Status in Committee | Nature of Directorship |
|----------------------------|---------------------|------------------------|
| Shivani Kapoor | Chairperson | Independent Director |
| Darshil Hemendrakumar Shah | Member | Independent Director |
| Ravikumar Shriram Malkhede | Member | Non-Executive Director |

Any member of this Committee ceasing to be a director shall also be ceased to be a member of this Committee. The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

Role of the Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

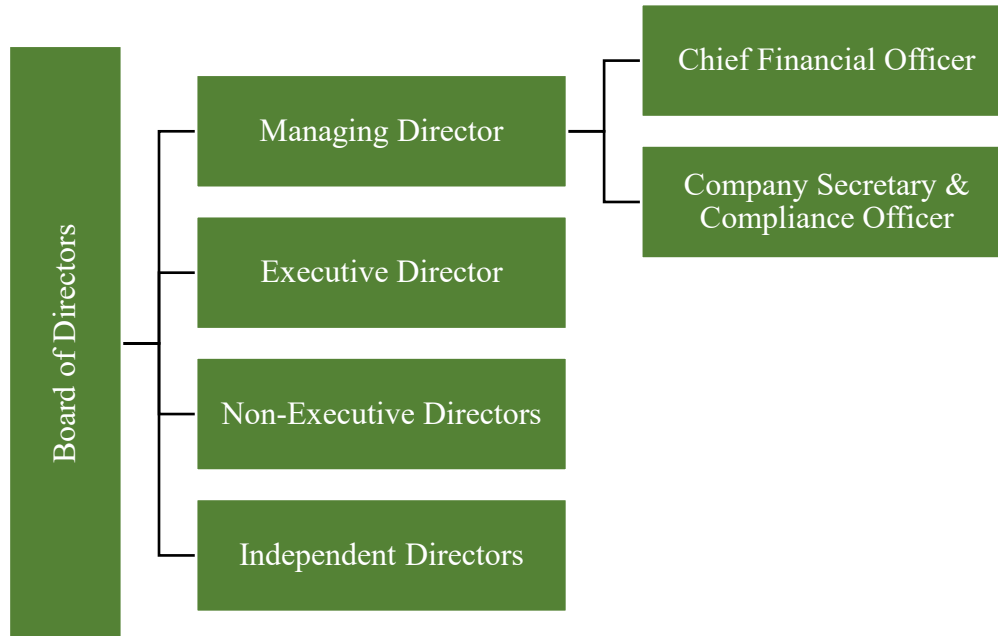
The Nomination and Remuneration Committee shall meet at least once in a financial year and quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

❖ **Corporate Social Responsibility Committee:**

As per section 135 (1) of the Companies Act, 2013, Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The Corporate Social Responsibility (CSR) is applicable to our Company from FY 2024-25 onwards. However, the requirement for constitution of CSR Committee as stated above is not applicable to us as the amount required to be spent by the Company under Section 135(5) does not exceed Rupees Fifty Lakh and the functions of such Committee shall be discharged by the Board of Directors of the Company as per Section 135(9).

MANAGEMENT ORGANIZATIONAL STRUCTURE:



OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The details of the Key Managerial Personnel and Senior Management as on the date of this draft prospectus are set out below. All the Key Managerial Personnel and Senior Management are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel and Senior Management.

- Bhavesh Thakarshibhai Parsana**, aged about 47 years, is the Promoter and Managing Director of our Company. For details, please refer section titled **“Our Management”** beginning on page no. 154 of this Draft Prospectus.
- Ms. Shilpa Kamlakar Tondwalkar**, aged about 46 years, is the Chief Financial Officer of our Company. She joined our Company as CFO with effect from August 16, 2024. She holds a Post Graduate Diploma degree in Finance Management from Prin. L.N. Welingkar Institute of Management Development & Research (We School Welingkar Education), completed in 2016. She has more than 6 years of experience in Accounting and Finance. She has handled accounts, MIS reporting, cash flow reporting, taxation (direct and indirect) and handled inventory and GST audits etc. As she has joined our Company with effect from August 16, 2024, she has not been paid any remuneration in the FY 2023-24.
- Mr. Nitin Vinayak Kore**, aged about 38 years, is the Company Secretary and Compliance Officer of our Company. He holds a Bachelor’s degree in Commerce from University of Mumbai, completed in 2006 and also holds degree of LLB from University of Mumbai, completed in 2009. He is a member of the Institute of Company Secretaries of India having membership number ACS 37732 since December, 2014. He joined our Company as a Company Secretary with effect from October 16, 2024. He has more than 5 years of experience in the fields of secretarial compliances, fostering effective communication with stakeholders, and playing a pivotal role in corporate governance and regulatory compliances of MCA, RBI and SEBI. As he has joined our Company with effect from October 16, 2024, he has not been paid any remuneration in the FY 2023-24.

OUR SENIOR MANAGEMENT

- Sunil Thakur**, aged about 43 years, is the Technical Head of our Company. He holds a degree of Bachelor of Engineering in Chemical Engineering from Shivaji University, Kolhapur, graduating in April 2005. He has joined our Company in July, 2024. He has around 17 years of experience in the fields of quality operations, new product development, vendor management system, quality assurance and quality audits. As the Technical Head in our Company, he leads the Quality Control and Research & Development teams, where he is responsible for planning and conducting periodic assessments and audits to identify gaps and improvement opportunities aimed at enhancing quality and regulatory compliance. He has not been paid any remuneration in the last financial year i.e. FY 2023-24 as he has joined our Company in the month of July, 2024.

2. **Vijay Pandurang Bambarkar**, aged about 45 years, is the Accounts Head of our Company. Mr. Bambarkar, an undergraduate with more than 3 years of experience in overseeing accounting operations and analyzing financial data, joined our company in January 2022 as Supervisor and thereafter he was promoted to as Accounts Head in January 2024. In this role, he manages customer accounts and records, validates purchase orders, and provides administrative support in revenue generation and accounts receivable. His problem-solving skills have enabled him to effectively resolve discrepancies between invoices, payments, and accounts receivable. During the Financial Year 2023-24, Mr. Bambarkar has received a remuneration of ₹ 5.88 Lakhs.
3. **Sandip Subhash More**, aged about 25 years, is the Production Head of our Company. He holds a degree of Bachelor of Science in Biochemistry, awarded in April 2019, and a Master of Science in Biochemistry, completed in March 2021, both from Kavayitri Bahinabai Chaudhari North Maharashtra University. Mr. More joined our company in June 2022 as a Quality Control Chemist and thereafter he was promoted to Production Head in January 2024. He brings over two years of experience in managing quality control data, testing chemicals to ensure compliance with established standards and guidelines, monitoring production batches and finished products, and maintaining Batch Manufacturing Records (BMR). During the Financial Year 2023-24, Mr. More has received a remuneration of ₹ 3.21 Lakhs.

STATUS OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY

All our key managerial personnel or Senior Management are permanent employees of our Company.

SHAREHOLDING OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT IN OUR COMPANY

The details of the shareholding of our Key Management Personnel or Senior Management as on the date of this draft prospectus are as follows: -

| Sl. No. | Name of the Director Shareholder | Category/ Status | No. of Equity Shares | Percentage of Pre-Issue Capital (%) | Percentage of Post-Issue Capital (%) |
|---------|----------------------------------|--------------------|----------------------|-------------------------------------|--------------------------------------|
| 1 | Bhavesh Thakarshibhai Parsana | Managing Director | 98,78,637 | 88.55% | 64.33% |
| 2 | Mayuri Bhavesh Parsana | Executive Director | 12,74,120 | 11.42% | 8.30% |

BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Our Company does not have a performance linked bonus or a profit-sharing plan for the Key Management Personnel or Senior Management. However, our Company pays incentive to all its employees based on their performance including the Key Managerial Personnel or Senior Management of our Company.

INTERESTS OF KEY MANAGEMENT PERSONNEL OR SENIOR MANAGEMENT

Except as mentioned above in this draft prospectus, the Key Management Personnel or Senior Management 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 and reimbursement of expenses incurred by them during the ordinary course of business.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except as disclosed in this draft prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance.

Except as stated under section titled "**Financial Information as Restated**" beginning on page no 178 of this draft prospectus, none of the beneficiaries of loans and advances or sundry debtors are related to our Company, our Directors or our Promoter.

RELATIONSHIP AMONGST THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

None of our Key Managerial Personnel or Senior Management Personnel are related with each other.

RELATIONSHIP BETWEEN THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

| Director | Other Director | Relation |
|-------------------------------|-------------------------------|---------------------------------------|
| Bhavesh Thakarshibhai Parsana | Mayuri Bhavesh Parsana | Husband of Mayuri Bhavesh Parsana |
| Mayuri Bhavesh Parsana | Bhavesh Thakarshibhai Parsana | Wife of Bhavesh Thakarshibhai Parsana |

ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS/CUSTOMERS/ SUPPLIERS

None of the above Key Managerial Personnel or Senior Management have been selected pursuant to any arrangement/understanding with major shareholders/customers/suppliers.

DETAILS OF SERVICE CONTRACTS OF THE KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Except for the terms set forth in the appointment letters, the Key Managerial Personnel or Senior Management have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

EMPLOYEE STOCK OPTION OR EMPLOYEE STOCK PURCHASE

Our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this draft prospectus.

LOANS AVAILED BY DIRECTORS / KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT OF OUR COMPANY

None of the Directors or Key Managerial Personnels or Senior Management have availed loan from our Company which is outstanding as on the date of this draft prospectus.

CHANGES IN OUR COMPANY'S KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT DURING THE LAST THREE (3) YEARS

The changes in the Key Managerial Personnel or Senior Management of our Company in the last three (3) years are as follows:

| Name | Date | Designation | Reason |
|-------------------------------|------------|-------------------------|-----------------------|
| Bhavesh Thakarshibhai Parsana | 10-07-2024 | Managing Director | Change in designation |
| Shilpa Kamlakar Tondwalkar | 16-08-2024 | Chief Financial Officer | Appointment |
| Nitin Vinayak Kore | 16-10-2024 | Company Secretary | Appointment |
| Sunil Thakur | 22-07-2024 | Technical Head | Appointment |
| Vijay Pandurang Bambarkar | 01-01-2022 | Accounts Head | Appointment |
| Sandip Subhash More | 27-06-2022 | Production Head | Appointment |


OUR PROMOTERS AND PROMOTER GROUP


1. Our Promoters:

The Promoters of our Company are (i) **Mr. Bhavesh Thakarshibhai Parsana** and (ii) **Mrs. Mayuri Bhavesh Parsana**

As on the date of this draft prospectus, our Promoters jointly hold 1,11,52,757 Equity Shares which in aggregate, almost constitutes 99.97% of the pre issued paid-up Equity Share capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*", on page 58 of this Draft Prospectus.

(i) Details of Individual Promoters of our Company

| | |
|--|---|
|  | <p>Bhavesh Thakarshibhai Parsana, aged 47 years, is the Promoter and Managing Director of the company. For further personal details including his educational qualifications, experience and achievements, please also refer to section titled "<i>Our Management</i>" beginning on page 154 of this draft prospectus.</p> |
| Name of Promoter | Bhavesh Thakarshibhai Parsana |
| Father's Name | Thakarshibhai Muljibhai Parsana |
| Date of Birth | 18-12-1976 |
| Age | 47 years |
| Qualification | Master of Science in Chemistry |
| Occupation | Business |
| Nationality | Indian |
| Address | A/1303, 13th Floor, Aditya Tower, Chandavarkar Lane, Opposite Municipal Garden Borivali, West Mumbai - 400103, Maharashtra, India |
| DIN | 08515430 |
| PAN | AJSPP0728K |
| Directorship in other companies | Nil |
| Other Ventures | Safo Industries Solutions LLP (Strike off) |
| | Satol Chemicals (Proprietorship Firm) |

| | |
|---|---|
|  | <p>Mayuri Bhavesh Parsana, aged 48 years, is the Promoter and Executive Director of the company. For further personal details including her educational qualifications, experience and achievements, please also refer to section titled “Our Management” beginning on page 154 of this draft prospectus.</p> |
| Name of Promoter | Mayuri Bhavesh Parsana |
| Father’s Name | Bhikubhai Shamji Surani |
| Date of Birth | 30-10-1975 |
| Age | 48 years |
| Qualification | Bachelor of Arts |
| Occupation | Business |
| Nationality | Indian |
| Address | A/1303, 13th Floor, Aditya Tower, Chandavarkar Lane, Opposite Municipal Garden Borivali, West Mumbai - 400103, Maharashtra, India |
| DIN | 01302733 |
| PAN | AMAPP4509K |
| Directorship in other companies | Nil |
| Other Ventures | Nil |

Our Company confirms that it will submit the details of the PAN, Bank Account Number, Passport number, Aadhaar card number and driving license number of our Promoters to BSE separately at the time of filing the draft prospectus.

(ii) Details of Body Corporate Promoters of our Company:

There is no body corporate promoter of our Company.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the four years immediately preceding the date of this Draft Prospectus.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled **“Our Management”** beginning on page 154 of this Draft Prospectus.

INTERESTS OF OUR PROMOTERS

Interest in the Promotions of our Company:

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their respective equity shareholding in our Company and any dividend distribution that may be made by our Company with respect to their equity shares in the future. For details pertaining to our Promoter’s shareholding, please refer to chapter titled **“Capital Structure”** beginning on page 58 of this Draft Prospectus.

Interest in the property of our Company:

Except as given in the chapter titled “***Our Business***” beginning on page 111 of this Draft Prospectus, our Promoters or Group Company do not have any interest in any property acquired by our Company in the preceding three (3) years of the date of this Draft Prospectus or proposed to be acquired by it or in any transaction in acquisition of land or any construction of building or supply of machinery.

Interest as Member of our Company:

As on the date of this Draft Prospectus, our Promoter and Promoter Group collectively hold **1,11,53,358** equity shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoter in our Company and benefits as provided in the section titled “***Our Management***” in that Remuneration details of our Directors on page 154 of this Draft Prospectus, our Promoter does not hold any other interest in our Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery:

None of our Promoters or Directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

Interest of Promoters in Sales and Purchases:

There are no sales/purchases between our Company and our Group Entity other than as stated in the section titled “***Financial Information - Related Party Transactions***” beginning on page no. 209 of this draft prospectus.

Other Interests in our Company:

For transactions in respect of loans and other monetary transactions entered in past please refer “***Financial Information - Related Party Transactions***” beginning on page no. 209 of this draft prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favour of the Company’s Bankers. For the details of Personal Guarantee given by Promoters towards Financial facilities availed by our Company, please refer to “***Financial Indebtedness***” and “***Financial Statements as Restated***” on page 212 and 178 respectively of this Draft Prospectus.

Except as disclosed in this draft prospectus, our Promoters 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 including the properties purchased by our Company other than in the normal course of business.

Confirmations:

Our Company hereby confirms that:

- None of our Promoters or Directors have been declared as a wilful defaulter or fraudulent borrower or is a fugitive economic offender.
- Neither our Company nor our Promoters, Promoter Group and Directors our Company are debarred from accessing the Capital Market by SEBI
- None of the promoters or directors of our Company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.

PAYMENT OR BENEFITS TO THE PROMOTERS IN THE LAST TWO (2) YEARS

No payment or benefit has been made to the Promoters except as disclosed in the related party transaction. For further details, please refer to section titled “***Financial Information - Related Party Transactions***” beginning on page no. 209 of this draft prospectus.

LITIGATION DETAILS PERTAINING TO OUR PROMOTERS

For details on litigations and disputes pending against the Promoters and defaults made by our Promoters please refer to section titled “***Outstanding Litigations and Material Developments***” beginning on page no. 225 of this draft prospectus.

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEARS

Except as mentioned below, none of our Promoters have disassociated themselves from any of the entities in the last three years.

| Name of the Promoter | Name of the entity | Date of Disassociation | Reason |
|------------------------|--------------------------------------|------------------------|---------------------|
| Mayuri Bhavesh Parsana | Shamaliya Enterprise Private Limited | 01-04-2023 | Resignation u/s 168 |

MATERIAL GUARANTEES PROVIDED BY OUR PROMOTERS

Except as stated in the chapter titled “*Financial Indebtedness*” beginning on page 212 of this Draft Prospectus, there are no material guarantees given by our Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Prospectus.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled “*Our Management*” beginning on page 154 of this Draft Prospectus.

COMMON PURSUITS OF PROMOTERS AND PROMOTER GROUP ENTITIES

As on the date of this Draft Prospectus, none of our Promoters and Promoter Group Entities have any common pursuits.

Our Promoter Groups:

In compliance with SEBI Guideline, “**Promoter Group**” pursuant to the regulation 2(1)(pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we confirm that following persons are part of promoter group:

A) Promoter

As per Regulation 2(1)(pp)(i) of the SEBI ICDR Regulations, the following are the Promoters:

- Bhavesh Thakarshibhai Parsana
- Mayuri Bhavesh Parsana

B) Immediate Relatives of the Promoter

As per Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations, the following individuals form part of our Promoter Group:

| Relationship | Name of the Promoters | |
|-------------------------|--|--|
| | Bhavesh Thakarshibhai Parsana | Mayuri Bhavesh Parsana |
| Father | Thakarshibhai Muljibhai Parsana | Late Bhikhubhai Shamjibhai Surani |
| Mother | Bhanuben Thakarshibhai Parsana | Vijyaben Bhikhubhai Surani |
| Brother | Mahesh Thakarshibhai Parsana, Ketan Kumar Thakarshibhai Parsana | Piyushkumar Bhikhubhai Surani, Elesh B Patel |
| Sister | Kundanben Dineshbhai Viradiya | Smita Chiman Patel |
| Spouse | Mayuri Bhavesh Parsana | Bhavesh Thakarshibhai Parsana |
| Son | Het Bhavesh Parsana | Het Bhavesh Parsana |
| Daughter | Arya Bhavesh Parsana | Arya Bhavesh Parsana |
| Spouse’s Father | Late Bhikhubhai Shamjibhai Surani | Thakarshibhai Muljibhai Parsana |
| Spouse’s Mother | Vijyaben Bhikhubhai Surani | Bhanuben Thakarshibhai Parsana |
| Spouse’s Brother | Piyushkumar Bhikhubhai Surani, Elesh B Patel | Mahesh Thakarshibhai Parsana, Ketan Kumar Thakarshibhai Parsana |
| Spouse’s Sister | Smita Chiman Patel | Kundanben Dineshbhai Viradiya |

C) Entities forming part of Promoter Group

As per Regulation 2(1)(pp)(iii) of the SEBI ICDR Regulations, in case Promoter is a Body Corporate

| Nature of Relationship | Entity |
|--|--------|
| Subsidiary or holding company of Promoter Company. | N.A.* |
| Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate). | N.A.* |

**Not Applicable*

As per Regulation 2(1)(pp)(iv) of the SEBI ICDR Regulations, in case Promoter is an Individual

| Nature of Relationship | Entity |
|--|---|
| Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member. | <p><u>Entities controlled by Promoters</u> Safo Industries Solutions LLP (Strike Off) Shamaliya Enterprise Private Limited</p> <p><u>Entities controlled by Promoter Group</u> MagicallyGenius Saas Private Limited</p> |
| Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital. | Nil |

| Nature of Relationship | Entity |
|---|--|
| Any Hindu Undivided Family or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than twenty percent of total capital. | <p><u>Entities controlled by Promoters</u> Satol Chemicals (Proprietorship Firm)</p> <p><u>Entities controlled by Promoter Group</u> Satwik Scales Industries (Proprietorship Firm) Dewlite Industries (Proprietorship Firm) Tureais (Proprietorship Firm)</p> |

D) *As per Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations, all persons whose shareholding under the heading “shareholding of the promoter group”:*

- Arya Bhavesh Parsana

GROUP ENTITIES OF OUR COMPANY

In compliance with SEBI Guideline, “Group Companies” pursuant to the regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, shall include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Based on the above, we confirm that we don't have any Group Companies.

RELATED PARTY TRANSACTIONS

For details on related party transactions (As per the requirement under Accounting Standard 18 “Related Party Disclosure” issued by ICAI) of our Company during the restated audit period as mentioned in this draft prospectus i.e., for the six months ended on September 30, 2024 and for the financial years ended on 31st March 2024, 31st March 2023 and 31st March 2022 please refer to Section titled, “*Financial Information - Related Party Transactions*”, beginning on page 209 of this draft prospectus.

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, 2013. The Members of our Company have the right 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 paid / declared any dividend in last three years from date of this Draft Prospectus.

SECTION IX: FINANCIAL INFORMATION

FINANCIAL STATEMENTS AS RESTATED

Independent Auditor's Examination report on Restated Standalone Financial Information of Satol Chemicals Limited

To,
The Board of Directors,
Satol Chemicals Limited
(Formerly known as Satol Chemicals Private Limited)
102, Shreemad Gokul Apartments CHS Limited
Near MCF Club, Off S V Road,
Borivali (West), Mumbai - 400092

Dear Sir/Ma'am

1. We **M/s. Vijay Darji and Associates**, Chartered Accountant ("we" or "us") have examined the attached Restated Standalone Financial Information of **Satol Chemicals Limited** (formerly known as *Satol Chemicals Private Limited*) (the "Company" or the "Issuer"), comprising the Restated Standalone Statement of Assets and Liabilities as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, the Restated Standalone Statements of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Standalone Cash Flow Statement as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "**Restated Standalone Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on 13/01/2025 for the purpose of inclusion in the Draft Prospectus / Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares at SME Platform ("**SME IPO**").

These restated Summary Statement have been prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act")
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Information for the purpose of inclusion in the Draft Prospectus / Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Mumbai and the relevant stock exchange in connection with the proposed SME IPO. The Restated Standalone Financial Information have been prepared by the management of the Company on the basis of preparation stated in **Annexure IV & V** to the Restated Standalone Financial Information. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
 3. We have examined such Restated Standalone Financial Information taking into consideration:
 - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 01/10/2024 in connection with the proposed IPO of equity shares of the Issuer;
 - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information; and

- d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Standalone Financial Information have been compiled by the management from the Audited Financial Statements of the Company as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, which has been approved by the Board of Directors.:
- a) The Audited financial statements of the Company as at and for the six-month period ended on September 30, 2024 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 22/11/2024.

We have audited the special purpose financial statements of the company as at and for the six-month period ended on September 30, 2024 prepared by the company in accordance with Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO.

- b) The Audited financial statements of the Company as at and for the financial years ended on March 31, 2024 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 14/08/2024.
- c) The Audited financial statements of the Company as at and for the financial years ended on March 31, 2023 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 28/09/2023.
- d) The Audited financial statements of the Company as at and for the financial years ended on March 31, 2022 are prepared in accordance with the Accounting Standards (Indian GAAP) as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 29/09/2022.
5. For the purpose of our examination, we have relied on:
- a. Auditors' Report issued by us dated 22/11/2024 on the financial statements of the Company as at and for the six-month ended on September 30, 2024 as referred in paragraph 4(a) above.
- b. Auditors' Report issued by us dated 14/08/2024 on the financial statements of the Company as at and for the year ended on March 31, 2024 as referred in paragraph 4(a) above.
- c. Auditors' Report issued by previous auditors M/s. D K Gala Associates, Chartered Accountant having FRN No: 114290W dated 28/09/2023 on the financial statements of the company as at and for the year ended on March 31, 2023 as referred in Paragraph 4(c) above.
- d. Auditors' Report issued by previous auditors M/s. D K Gala Associates, Chartered Accountant having FRN No: 114290W dated 29/09/2022 on the financial statements of the company as at and for the year ended on March 31, 2022 as referred in Paragraph 4(d) above.
- e. The audits for the six-month period ended on September 30, 2024 and for the financial year ended on March 31, 2024 has been done by us i.e. M/s. Vijay Darji and Associates and for the financial years ended on March 31, 2023 and March 31, 2022 were conducted by the Company's previous auditors, M/s. D K Gala Associates, (the "Previous Auditors"), and accordingly reliance has been placed on the restated statement of assets and liabilities, the restated statements of profit and loss and restated cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "Restated Financial Information") examined by them for the said years.

6. Based on our examination and according to the information and explanations given to us, we report that:
- a. The “**Restated Standalone Summary Statement of Assets and Liabilities**” as set out in **Annexure 1** to this report, of the Company as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, are prepared by the Company and approved by the Board of Directors. These Restated Standalone Summary Statement of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure VI & V** to this Report.
 - b. The “**Restated Standalone Summary Statement of Profit and Loss**” as set out in **Annexure 2** to this report, of the Company as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, are prepared by the Company and approved by the Board of Directors. These Restated Standalone Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
 - c. The “**Restated Standalone Summary Statement of Cash Flow**” as set out in **Annexure 3** to this report, of the Company as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, are prepared by the Company and approved by the Board of Directors. These Restated Standalone Summary Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV & V** to this Report.
 - d. The Restated Standalone Summary Statement have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
 - e. The 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 periods, if any;
 - f. The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments.
 - g. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required.
 - h. There were no qualifications in the Audit Reports issued by the Statutory Auditors as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, which would require adjustments in this Restated Financial Statements of the Company;
 - i. Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV & V** to this report.
 - j. There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements
 - k. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements.
 - l. The Company has not declared dividend during the period.
7. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the six-month period ended on September 30, 2024 and for the Financial Years ended on March 31, 2024, 2023 and 2022, proposed to be included in the Draft Prospectus/Prospectus.

| Annexure No. | Particulars |
|---------------------|--|
| I | Restated Statement of Assets & Liabilities |
| I.1 | Restated Statement of Share Capital |
| I.2 | Restated Statement of Reserves & Surpluses |
| I.3 | Restated Statement of Long-Term Borrowings |
| I.4 | Restated Statement of Deferred Tax Liabilities/Assets |
| I.5 | Restated Statement of Other Long-Term Liabilities |
| I.6 | Restated Statement of Long-Term Provisions |
| I.7 | Restated Statement of Short-Term Borrowings |
| I.8 | Restated Statement of Current Maturity of Long-Term Borrowings |
| I.9 | Restated Statement of Trade Payable |
| I.10 | Restated Statement of Other Current Liabilities |
| I.11 | Restated Statement of Short-Term Provisions |
| I.12 | Restated Statement of Fixed Assets & Depreciations |
| I.13 | Restated Statement of Non-Current Investment |
| I.14 | Restated Statement of Long-Term Loans and Advances |
| I.15 | Restated Statement of Other Non-Current Assets |
| I.16 | Restated Statement of Current Investment |
| I.17 | Restated Statement of Inventories |
| I.18 | Restated Statement of Trade Receivable |
| I.19 | Restated Statement of Cash & Cash Equivalent |
| I.20 | Restated Statement of Short-Term Loans and Advances |
| I.21 | Restated Statement of Other Current Assets |
| II | Restated Statement of Profit & Loos |
| II.1 | Restated Statement of Revenue from operations |
| II.2 | Restated Statement of Other Income |
| II.3 | Restated Statement of Cost of Material Consumed |
| II.4 | Restated Statement of Purchase of Stock-in-Trade |
| II.5 | Restated Statement of Changes in Inventories |
| II.6 | Restated Statement of Employees Benefit Expenses |
| II.7 | Restated Statement of Other Expenses |
| II.8 | Restated Statement of Financial Charges |
| II.9 | Restated Statement of Provision for Taxation |
| Other Annexures: | |
| III | Cash Flow Statement |
| IV | Statement of Significant Accounting Policies |
| V | Notes to the Re-stated Financial Statements |
| VI | Statement of Accounting & Other Ratios, As Restated |
| VII | Statement of Capitalization, As Restated |
| VIII | Statement of Tax Shelter, As Restated |
| IX | Statement of Related Parties & Transactions |
| X | Statement of Dividends |
| XI | Changes in the Significant Accounting Policies |
| XII | Contingent Liabilities |

8. We, M/s. Vijay Darji and Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “**Peer Review Board**” of the ICAI which is valid till July 31, 2027.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose financial statements and audited financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus /Prospectus to be filed with Securities and Exchange Board of India, the relevant Stock Exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For,
Vijay Darji and Associates
Chartered Accountants**

Sd/-

**CA Vijay Darji
Proprietor
Firm’s Registration Number – 118614W
Membership Number - 105197
UDIN – 25105197BMIHOG2292
Place: Mumbai
Date: 13/01/2025**

ANNEXURE - I

STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED

| Particulars | Note No. | As on (Rs. In Lakhs) | | | |
|--|----------|----------------------|-----------------|-----------------|-----------------|
| | | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| I. EQUITY & LIABILITIES | | | | | |
| (1) Shareholders Fund | | | | | |
| a) Share capital | I.1 | 1.86 | 1.00 | 1.00 | 1.00 |
| b) Reserves and surplus | I.2 | 1,790.98 | 795.76 | 243.80 | 48.98 |
| c) Money received against share warrants | | - | - | - | - |
| Total Shareholder's Fund | | 1,792.84 | 796.76 | 244.80 | 49.98 |
| (2) Share application money pending allotment | | | | | |
| | | - | - | - | - |
| (3) Non-Current Liabilities | | | | | |
| a) Long-Term Borrowings | I.3 | 27.29 | 716.04 | 727.96 | 764.00 |
| b) Deferred Tax Liability (Net) | I.4 | 21.39 | 19.24 | 13.42 | 7.91 |
| c) Other Long Term Liabilities | I.5 | - | - | - | - |
| d) Long Term provisions | I.6 | - | - | - | - |
| Total Non Current Liabilities | | 48.68 | 735.28 | 741.38 | 771.91 |
| (4) Current Liabilities | | | | | |
| a) Short Term Borrowings | I.7 | 287.06 | 296.55 | 310.60 | 325.00 |
| b) Current Maturity of Long Term Borrowings | I.8 | 12.13 | 18.26 | 24.59 | 24.59 |
| b) Trade Payables | I.9 | 865.55 | 671.48 | 494.31 | 351.05 |
| - total outstanding dues of MSME; and - total outstanding dues of creditors other than MSME | | | | | |
| c) Other Current Liabilities | I.10 | 187.17 | 239.10 | 554.44 | 214.17 |
| d) Short Term Provisions | I.11 | 181.74 | 119.48 | 44.38 | 2.84 |
| Total Current Liabilities | | 1,533.65 | 1,344.87 | 1,428.32 | 917.65 |
| Total Equity & Liability | | 3,375.16 | 2,876.91 | 2,414.50 | 1,739.54 |
| II. ASSETS | | | | | |
| (1) Non-Current Assets | | | | | |
| a) Fixed Assets | | | | | |
| (i) Property, Plant and Equipments | I.12 | 541.61 | 523.08 | 549.57 | 552.23 |
| (ii) Intangible Assets | | 1.00 | - | - | - |
| (iii) Capital Work-In-Progress | | 119.66 | 107.65 | - | 4.96 |
| (iv) Intangible assets under development | | | | | |
| Total Fixed Assets | | 662.27 | 630.73 | 549.57 | 557.19 |
| b) Non - current Investments | I.13 | - | - | - | - |
| c) Deferred Tax Assets (Net) | I.4 | - | - | - | - |
| d) Long Term Loans and Advances | I.14 | - | - | - | - |
| e) Other Non- current Assets | I.15 | 16.33 | 13.01 | 9.83 | 5.78 |
| Total Non Current Assets | | 16.33 | 13.01 | 9.83 | 5.78 |
| (2) Current assets | | | | | |
| a) Current investments | I.16 | | | | |
| b) Inventories | I.17 | 674.42 | 644.64 | 350.53 | 101.09 |
| c) Trade Receivables | I.18 | 1,874.73 | 1,490.72 | 1,446.40 | 1,043.66 |
| d) Cash and Cash Equivalents balances | I.19 | 10.01 | 12.87 | 8.12 | 7.09 |
| e) Short Term Loans and advances | I.20 | 115.00 | 84.89 | 50.04 | 24.72 |
| f) Other Current Assets | I.21 | 22.38 | 0.04 | - | - |
| Total Current Assets | | 2,696.54 | 2,233.16 | 1,855.09 | 1,176.56 |
| Total Assets | | 3,375.16 | 2,876.91 | 2,414.50 | 1,739.54 |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

ANNEXURE - II

STATEMENT OF STANDALONE PROFIT & LOSS, AS RESTATED

| Particulars | Note No. | For the Period/Year ended on (Rs. In lakhs) | | | |
|---|----------|---|-----------------|-----------------|-----------------|
| | | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Income | | | | | |
| Revenue from Operations | II.1 | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |
| Other Income | II.2 | - | 1.15 | 1.42 | 0.65 |
| Total Income | | 2,962.39 | 4,742.42 | 4,227.76 | 1,710.39 |
| | | | | | |
| Expenditure | | | | | |
| Cost of Material Consumed | II.3 | 1,819.18 | 2,537.03 | 2,823.42 | 1,408.60 |
| Purchase of Stock-in-Trade | II.4 | - | - | - | - |
| Change in Inventories | II.5 | (81.57) | (124.46) | (98.87) | (44.10) |
| Employee Benefit Expenses | II.6 | 266.34 | 531.73 | 334.51 | 83.13 |
| Other Expenses | II.7 | 548.93 | 1,055.48 | 866.92 | 161.58 |
| Total Expenses | | 2,552.88 | 3,999.78 | 3,925.98 | 1,609.21 |
| | | | | | |
| Profit Before Interest, Depreciation and Tax | | 409.51 | 742.64 | 301.78 | 101.18 |
| Depreciation & Amortisation Expenses | I.12 | 16.52 | 30.59 | 26.79 | 14.23 |
| | | | | | |
| Profit Before Interest and Tax | | 392.99 | 712.05 | 274.99 | 86.95 |
| Financial Charges | II.8 | 17.42 | 34.83 | 33.12 | 10.39 |
| | | | | | |
| Profit before Taxation | | 375.57 | 677.22 | 241.87 | 76.56 |
| Provision for Taxation | II.9 | 62.30 | 119.44 | 41.54 | 2.84 |
| Provision for Deferred Tax | | 2.15 | 5.82 | 5.51 | 7.91 |
| Total | | 64.45 | 125.27 | 47.05 | 10.74 |
| Profit After Tax but Before Extra ordinary Items | | 311.12 | 551.95 | 194.82 | 65.82 |
| Extraordinary Items | | - | - | - | - |
| Profit Attributable to Minority Shareholders | | - | - | - | - |
| Net Profit after adjustments | | 311.12 | 551.95 | 194.82 | 65.82 |
| Net Profit Transferred to Balance Sheet | | 311.12 | 551.95 | 194.82 | 65.82 |

Note: The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

ANNEXURE - III

STATEMENT OF STANDALONE CASH FLOW, AS RESTATED

| PARTICULARS | For the Period/Year ended on (Rs. In lakhs) | | | |
|---|---|-----------------|----------------|-----------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit Before Tax as per Profit & Loss A/c | 375.57 | 677.22 | 241.87 | 76.56 |
| Adjusted for : | | | | |
| a. Depreciation | 16.52 | 30.59 | 26.73 | 14.17 |
| b. Interest Expenses & Finance Cost | 16.04 | 33.00 | 32.00 | 6.33 |
| c. Other Adjustments | (2.15) | (5.82) | (5.51) | (7.91) |
| d. Interest & Other Income | - | (0.61) | (0.34) | (0.25) |
| | | | | |
| Operating profit before working capital changes | 405.98 | 734.38 | 294.75 | 88.91 |
| Adjusted for : | | | | |
| a. Decrease / (Increase) in Inventories | (29.78) | (294.11) | (249.44) | (68.49) |
| b. Decrease / (Increase) in trade receivable | (384.01) | (44.32) | (402.74) | (1,043.66) |
| b. Decrease / (Increase) in Current Investments | - | - | - | - |
| c. (Increase) / Decrease in short term loans and advances | (30.11) | (34.85) | (25.32) | 24.94 |
| d. Increase / (Decrease) in Trade Payables | 194.07 | 177.17 | 143.26 | 322.41 |
| e. Increase / (Decrease) in short term provisions | 62.25 | 75.10 | 41.54 | 2.84 |
| f. Increase / (Decrease) in other current liabilities | (49.78) | (309.52) | 345.78 | 198.12 |
| g. (Increase) / Decrease in Other Current Assets | (22.34) | (0.04) | - | - |
| Cash generated from operations | | | | |
| Net Income Tax (Paid)/Refund | (62.30) | (119.44) | (41.54) | (2.84) |
| Net Cash Generated/(Used) From Operating Activities (A) | 83.98 | 184.37 | 106.29 | (477.78) |
| | | | | |
| B. CASH FLOW FROM INVESTING ACTIVITES | | | | |
| a. (Purchase) Sale of Fixed Assets | (48.07) | (111.63) | (19.11) | (94.76) |
| b. (Purchase) / Sale of non-current investment | | - | - | - |
| c. (Increase) / Decrease in Long term loans and advances | | - | - | - |
| d. Increase / (Decrease) in Long Term Provisions | | - | - | - |
| e. (Increase) / Decrease in Other Non Current Assets | (3.32) | (3.30) | (4.05) | (5.54) |
| f. (Increase) in Misc. Expenses | (0.04) | - | - | - |
| g. Interest & Other Income | - | 0.61 | 0.34 | 0.25 |
| Net Cash Generated/(Used) From Investing Activities (B) | (51.43) | (114.32) | (22.82) | (100.06) |
| | | | | |
| C. CASH FLOW FROM FINANCING ACTIVITES | | | | |
| a. Interest & Finance Cost | (16.04) | (33.00) | (32.00) | (6.33) |
| b. Proceeds from share issued including Premium | - | - | - | - |
| c. (Repayments) / proceeds of long term borrowings | (9.88) | (18.25) | (36.04) | 236.97 |
| d. (Repayments) / proceeds of short term borrowings | (9.49) | (14.05) | (14.40) | 349.59 |
| Net Cash Generated/(Used) From Financing Activities (C) | (35.41) | (65.30) | (82.44) | 580.23 |
| | | | | |
| Net Increase / (Decrease) in cash and cash equivalents | (2.86) | 4.75 | 1.03 | 2.40 |
| Cash and cash equivalents at the beginning of the year | 12.87 | 8.12 | 7.09 | 4.69 |
| Cash and cash equivalents at the end of the year | 10.01 | 12.87 | 8.12 | 7.09 |

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year
- The above statement should be read with the Significant Accounting Policies and Notes on Financial Statements appearing in Annexure IV & V respectively.

Annexure IV

A. Background of the company:

Satol Chemicals Limited (Formerly Known as Satol Chemicals Private Limited) was incorporated on 23rd October, 2020 as a Private Limited company under the Companies Act, 2013 with CIN: U24290MH2020PTC348489. The Company was converted from Private Limited to Public Limited Company with effect from 01st July, 2024 with CIN: U24290MH2020PLC348489.

The principal objective of the company is to carry on the business of manufacturing specialty cleaning hygiene solutions. The Company's expertise includes Industrial Sectors including Breweries, Beverages, Dairy, Food Processing, Poultry, Fisheries, Water Treatment, and Machines. Recently, they have expanded into Institutional Cleaning, serving commercial laundry, Facility Management, Hotels, Healthcare, Retail, Education, Government and Food Services.

The solutions prioritize environmental sustainability, backed by scientific research. As a Green Building Certified Factory, The Company is committed to reducing environmental footprint. With ISO 9000-2015, GMP, ISO 22000:2018 certifications, and FDA approval for many chemicals, the Company ensures quality and reliability. Explore our journey towards quality and sustainability.

The financial statements have been prepared to comply in all material respects with the accounting standards specified in Companies Act, 2013 ("the Act") The financial statements have been prepared under the historical cost conversion on an accrual basis. The accounting policies have been consistently applied by the company.

B. Statement of Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts) rules 2015.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain fixed Assets which are carried at written down value amounts. The financial statements are presented in Indian rupees.

1.2 Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

1.3 Fixed Assets:

Fixed Assets are stated at cost less depreciation. The cost of an asset comprises its purchase price and directly attributable expenses. Expenditure for addition and improvements are capitalized as and when incurred.

1.4 Depreciation:

Depreciation/Amortization charge is provided on fixed assets on written-down-value method as per rates prescribed in Companies Act, 2013.

1.5 Revenue Recognition:

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is reasonably certain, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably and stated net of Goods & Services Tax, Sales Tax, VAT, trade discounts and rebates. Interest income is recognized on time proportion basis, taking into account outstanding amount and the applicable interest rate. Dividend income is accounted when the company's right to receive dividend is established

1.6 Taxes on Income:

Provision for current tax is made in terms of provisions of the Income Tax Act, 1961. Deferred tax on account of timing difference between taxable and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by Balance sheet date, the deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

Since the Company is opting for taxation u/s 115BAB of the Income Tax Act, 1961, the provisions of MAT Credit are not applicable to the Company.

1.7 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 during the year.

1.8 Provisions/Contingencies:

A provision is recognized when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined (as provided/charged to the Statement of Profit and Loss) based on estimate of the amount required to settle the obligation at the Balance Sheet date and are not discounted to present value. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities are disclosed in the financial statements by way of notes to financial statements.

1.9 Borrowing Cost:

Borrowing Cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.10 Inventory:

Inventories are valued at cost or net realizable value whichever is lower and on FIFO method.

1.11 Foreign Currency Transactions:

Normal Exchange differences at the time of settlement are dealt with in the Profit & Loss account. Monetary assets and liabilities in foreign currency existing at the Balance Sheet date are translated at the year-end exchange rates. Exchange difference arising on Import/Export realizations are recognized as income or expense in the Profit and Loss Account for the period. Exchange difference arising on forward contract is recognized as income or expense over the life of the contract. Any Profit or loss arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense for that period. Exchange rate difference in respect of purchase of Fixed Asset is adjusted in the carrying amount of respective Fixed Assets. During the period under review, the Company has accounted for unrealized foreign exchange fluctuation in the statement of profit and loss account.

1.12 Segment Information:

Based on the principles for determination of segments given in Accounting Standard 17 "Segment Reporting" issued by accounting standard notified by Companies (Accounting Standard) Rules, 2008, the company is mainly engaged in the activity surrounded with main business of the Company hence there is no reportable segment.

1.13 Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which as the 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.

The company found no indication that any asset may be impaired. Therefore, there was no need to determine impairment Loss. Other disclosure requirements as per mandatory Accounting Standard AS – 28 are not applicable in the case of the company.

1.14 Prior Period Expenditure:

The change in estimate due to error or omission in earlier period is treated as prior period items. The items in respect of which liability has arisen/crystallized in the current year, though pertaining to earlier year is not treated as prior period expenditure.

1.15 Extra Ordinary Items:

The income or expenses that arise from event or transactions which are clearly distinct from the ordinary activities of the Company and are not recurring in nature are treated as extra ordinary items. The extra ordinary items are disclosed in the statement of profit and loss as a part of net profit or loss for the period in a manner so as the impact of the same on current profit can be perceived.

1.16 Employee Benefits:

Contribution as per Employees Provident Fund Law towards Provident Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis and relevant employer's contribution are recognized as expenditure and are charged to the profit & loss Account under the group head payments to and for the employees.

Provision for liabilities in respect to gratuity benefits are not made. However, it will be recognized as an expenses in the statement of Profit & Loss account on actual basis during the period in which the eligible employee leaves the services of the company and settlements of his due are made on actual calculation.

Annexure –V

Notes to the Re-stated Financial Statements:

I. Non-adjustment Items:

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

II. Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

(Amt in ₹ Lacs)

| Particulars | For the period/FY ended | | | |
|---|-------------------------|---------------|---------------|--------------|
| | 30-9-2024 | 31-3-2024 | 31-3-2023 | 31-3-2022 |
| Reserve & Surplus as per Books of Accounts | 1792.06 | 798.99 | 243.80 | 48.98 |
| Adjustments in Profit & Loss Account | (1.09) | (3.23) | - | - |
| Adjustment in Opening Balance | - | - | - | - |
| Reserve & Surplus as per Restated | 1790.98 | 795.75 | 243.80 | 48.98 |

III. Material Adjustments in Restated Profit & Loss Account:

(Amt in ₹ Lacs)

| Particulars | For the FY ended | | | |
|--|------------------|---------------|---------------|--------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Profit After Tax as per Books of Accounts | 308.97 | 555.19 | 194.82 | 65.82 |
| Adjustment for provision of Depreciation | | | | |
| Adjustment for provision of Income Tax | 2.15 | (3.23) | | |
| Adjustment for provision of Deferred Tax | | | | |
| Profit After Tax as per Restated | 311.12 | 551.95 | 194.82 | 65.82 |

IV. Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2022, 31st March, 2023, 31st March, 2024 and the 6-month period ended 30th September, 2024 as Micro, Small or Medium enterprises.

However, the company has been regular in filing the half-yearly form MSME-1 with the ROC disclosing the names of the entities registered under the MSMED Act, 2006, the payment made and due to each of the parties and the reasons for delay, if any.

The information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

V. Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits

The outstanding balances as on 31st March, 2022, 31st March, 2023, 31st March, 2024 and the 6-month period ended 30th September, 2024, all material trade receivables, loans & advances and current liabilities are confirmed / reconciled generally with the respective parties barring few cases. Minor adjustments, if any, in respect of other parties arising out of reconciliations shall be accounted as and when such reconciliation is completed. However, the management does not expect any material variance.

VI. Expenditure in Foreign Currency: (Amt in ₹ Lacs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|-------------|------------|------------|------------|------------|
| Imports | 179.69 | 214.24 | 82.78 | 20.64 |
| | | | | |

VII. Earnings in Foreign Exchange: (Amt in ₹ Lacs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|-------------|------------|------------|------------|------------|
| Exports | 47.55 | 88.83 | 30.96 | -- |
| | | | | |

VIII. Re-grouping/re-classification of amounts

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

IX. Director Personal Expenses

There are no direct personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

X. Deferred Revenue Expenses

The Company has deferred its preliminary expenses over a period of 5 years and amortized 1/5th of those expenses in each year until 31st March, 2024. Other than the above, the company has not deferred any revenue expenditure in any of the financial years ending 31st March, 2022, 31st March, 2023, 31st March, 2024 and 6-month period ended 30th September, 2024.

XI. Segment Reporting Policy

The Company is engaged in single line of activities and in view of AS 17, segmental reporting policy is not necessary.

XII. Related Party Disclosure

Information in accordance with the requirements for the Accounting Standard - 18 on Related Party Disclosures issued by The Institute of Chartered Accountants of India as reported in “**Annexure IX**”.

XIII. Deferred Tax Asset / Liability: [AS-22]

The company has created Deferred Tax Asset / Liability as required by Accounting Standard (AS) - 22.

XIV. Other Additional Information:

- i. The company owns the properties and title deeds are in the name of the Company.
- ii. The Company has not revalued its Property, Plant and Equipment during the year.
- iii. No Loans or Advances in the nature of loans are granted to promoters, Directors, Key Managerial Persons and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
 - a. repayable on demand or
 - b. without specifying any terms or period of repayment
- iv. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- v. The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- vi. The Company has borrowings from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- vii. The Company does not have any transactions with struck off Companies.

- viii. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond statutory period.
- ix. The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- x. Ratio Analysis as annexed to **Annexure VI**.
- xi. The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries),with the understanding that the intermediary shall;
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
- b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xii. The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
- a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
- b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- xiii. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- xiv. The provisions of CSR applies to every company fulfilling any of the following conditions in the preceding financial year.
- Net Worth more than ₹500 crores
 - Turnover more than ₹1,000 crores
 - Net Profit more than ₹5 crores
- The Board of Directors of every company to which CSR Provisions apply must ensure that the company spends in every financial year at least 2% of its average net profits made in the immediately preceding 3 financial years as per its CSR policies.
- In the given case, the company has earned Net Profits more than ₹5 crores in the preceding financial year and hence the provisions of CSR become applicable. The company shall make the necessary provisions and spending for the same.
- xv. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Annexure – I.1

Restated Statement of Share Capital

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|------------|------------|------------|------------|
| Authorised Capital | | | | |
| 1,60,00,000 Equity shares of ₹10/- each | 1,600.00 | 15.00 | 15.00 | 15.00 |
| (PY - 1,50,000 Equity shares of ₹10/- each) | | | | |
| Issued, Subscribed & Fully Paid-up | | | | |
| 18,562 Equity shares of ₹10/- each | | | | |
| (PY - 10,000 Equity shares of ₹10/- each) | 1.86 | 1.00 | 1.00 | 1.00 |

Note: The Company has only one class of equity shares of par value ₹10/- each. Each equity shareholder is entitled to one vote per share held, and on liquidation entitled to receive balance of net assets remaining after settlement of all debts, creditors & preferential amounts, proportionate to their respective shareholding.

Reconciliation of No. of Shares Outstanding at the end of the year

(No. of Equity Shares)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|---------------|---------------|---------------|---------------|
| Shares outstanding at the beginning of the year | 10,000 | 10,000 | 10,000 | 10,000 |
| Shares issued during the year* | 8,562 | - | - | - |
| Bonus Issued during the year | - | - | - | - |
| Share outstanding at the end of the year | 18,562 | 10,000 | 10,000 | 10,000 |

*8562 shares have been issued during the period for a consideration other than cash (conversion of Loan) on 16/08/2024

Details of Shareholding more than 5% of the aggregate shares in the company

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|------------|------------|------------|------------|
| Mr. Bhavesh Thakarshibhai Parsana | | | | |
| No. of Shares | 16,437 | 8,000 | 8,000 | 8,000 |
| % Holding | 88.55% | 80.00% | 80.00% | 80.00% |
| Mrs. Mayuri Bhavesh Parsana | | | | |
| No. of Shares | 2,120 | 1,995 | 2,000 | 2,000 |
| % Holding | 11.42% | 19.95% | 20.00% | 20.00% |

Details of Shareholding of Promoters

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|------------|------------|------------|------------|
| Mr. Bhavesh Thakarshibhai Parsana | | | | |
| No. of Shares | 16,437 | 8,000 | 8,000 | 8,000 |
| % Holding | 88.55% | 80.00% | 80.00% | 80.00% |
| % change during the year | 8.55% | 0.00% | 0.00% | 0.00% |
| Mrs. Mayuri Bhaveshbhai Parsana | | | | |
| No. of Shares | 2,120 | 1,995 | 2,000 | 2,000 |
| % Holding | 11.42% | 19.95% | 20.00% | 20.00% |
| % change during the year | -8.53% | 0.25% | 0.00% | 0.00% |

Annexure – I.2

Restated Statement of Reserve & Surplus

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|-----------------|---------------|---------------|--------------|
| Statement of Profit & Loss | | | | |
| Opening balance | 795.76 | 243.80 | 48.98 | (16.84) |
| Add: Profit for the year | 311.12 | 551.95 | 194.82 | 65.82 |
| Total | 1,106.88 | 795.76 | 243.80 | 48.98 |
| Less: Utilised for Bonus Issue | - | - | - | - |
| Balance as at the end of the year for Profit & Loss | 1,106.88 | 795.76 | 243.80 | 48.98 |
| Security Premium Reserve | 684.10 | - | - | - |
| Less: Utilised for Bonus Issue | - | - | - | - |
| Balance as at the end of the year for Security Premium | 684.10 | - | - | - |
| Revaluation Reserves, if any | - | - | - | - |
| Other Reserves, If Any (Please Specify) | - | - | - | - |
| Total Reserve & Surplus | 1,790.98 | 795.76 | 243.80 | 48.98 |

Annexure – I.3

| Restated Statement of Long Term Borrowings | | (Rs. In lakhs) | | | |
|---|--------------|----------------|---------------|---------------|--|
| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 | |
| Secured Loans from Bank/FIs | | | | | |
| Term Loan from HDFC Bank Ltd | 27.29 | 31.04 | 42.96 | 60.50 | |
| (Secured against mortgage of Office Premises and Residential Premises and Personal Guarantee of the Directors Mr.Bhavesh Parsana and Mrs.Mayuri Parsana) - The Loan of ₹99,14,731 is sanctioned on March 08, 2021 for a term of 63 months to be paid in equal monthly instalments of ₹2,04,953.00; Rate of Interest being 8.20%p.a | - | - | - | - | |
| Total of Secured Loans from Bank/Fis | 27.29 | 31.04 | 42.96 | 60.50 | |
| Unsecured Loans from Bank/FIs | | | | | |
| NA | - | - | - | - | |
| Total of Unsecured Loans from Bank/FIs | - | - | - | - | |
| Unsecured Loans from Related Parties | | | | | |
| Mr. Bhavesh Thakarshibhai Parsana | - | 675.00 | 675.00 | 693.50 | |
| Mrs. Mayuri Bhavesh Parsana | - | 10.00 | 10.00 | 10.00 | |
| Total of Unsecured Loans from Related Parties | - | 685.00 | 685.00 | 703.50 | |
| Unsecured Loans from Others | | | | | |
| NA | - | - | - | - | |
| Total of Unsecured Loans from Others | - | - | - | - | |
| Total Long Term Borrowings | 27.29 | 716.04 | 727.96 | 764.00 | |

Note: There were no rescheduling or defaults in the repayment of loan taken by the Company

Annexure – I.4

| Restated Statement of Deferred Tax Liabilities/Assets | | (Rs. In lakhs) | | | |
|---|--------------|----------------|--------------|--------------|--|
| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 | |
| Deferred Tax Assets/Liabilities Provision | | | | | |
| WDV As Per Companies Act 2013 | 16.52 | 30.47 | 26.73 | 14.17 | |
| WDV As Per Income tax Act | 29.03 | 64.41 | 58.84 | 60.24 | |
| Difference in WDV | 12.51 | 33.94 | 32.11 | 46.07 | |
| (DTA)/DTL | 2.15 | 5.82 | 5.51 | 7.91 | |
| Deferred Tax Assets Provision | | | | | |
| Opening Balance of (DTA)/DTL | 19.24 | 13.42 | 7.91 | - | |
| Add: Provision for the year | 2.15 | 5.82 | 5.51 | 7.91 | |
| Closing Balance of (DTA)/DTL | 21.39 | 19.24 | 13.42 | 7.91 | |

Annexure – I.5

| Restated Statement of Other Long Term Liabilities | | (Rs. In lakhs) | | | |
|---|------------|----------------|------------|------------|--|
| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 | |
| NA | | | | | |
| Total | - | - | - | - | |

Annexure – I.6

| Restated Statement of Long Term Provisions | | (Rs. In lakhs) | | | |
|--|------------|----------------|------------|------------|--|
| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 | |
| NA | - | - | - | - | |
| Total | - | - | - | - | |

Annexure – I.7

Restated Statement of Short Term Borrowings

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|---------------|---------------|---------------|---------------|
| Secured Loans from Bank/FIs | | | | |
| - HDFC O/D Account No 50200052683235 | 287.06 | 296.55 | 310.60 | 325.00 |
| (Secured against Primary Security of Stock less than 180 days, Book Debts less than 90 days, Plant & Machinery and Personal Guarantee of Directors; Rate of Interest being 8.20% p.a i.e Repo rate + 4.20%) | | | | |
| Total of Secured Loans from Bank/Fis | 287.06 | 296.55 | 310.60 | 325.00 |
| Unsecured Loans from Bank/FIs | | | | |
| NA | - | - | - | - |
| Total of Unsecured Loans from Bank/FIs | - | - | - | - |
| Unsecured Loans from Related Parties | | | | |
| NA | - | - | - | - |
| Total of Unsecured Loans from Related Parties | - | - | - | - |
| Unsecured Loans from Others | | | | |
| NA | - | - | - | - |
| Total of Unsecured Loans from Others | - | - | - | - |
| Total Short Term Borrowings | 287.06 | 296.55 | 310.60 | 325.00 |

Annexure – I.8

Restated Statement of Current Maturity of Long Term Borrowing

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|--------------|--------------|--------------|--------------|
| Term Loan from HDFC Bank Ltd | 12.13 | 18.26 | 24.59 | 24.59 |
| (Secured against mortgage of Office Premises and Residential Premises and Personal Guarantee of the Directors Mr. Bhavesh Parsana and Mrs. Mayuri Parsana) - The Loan of ₹99,14,731 is sanctioned on March 08, 2021 for a term of 63 months to be paid in equal monthly instalments of ₹2,04,953.00; Rate of Interest being 8.20%p.a | - | - | - | - |
| Total of Current Maturity of Long Term Borrowing | 12.13 | 18.26 | 24.59 | 24.59 |

Annexure – I.9

Restated Statement of Trade Payables

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|---------------|---------------|---------------|---------------|
| Outstanding Dues for MSME Creditors | 508.78 | 403.49 | - | - |
| Outstanding Dues for Other than MSME Creditors | 356.77 | 267.99 | 494.31 | 351.05 |
| Disputed Creditors, if any | - | - | - | - |
| Total | 865.55 | 671.48 | 494.31 | 351.05 |

Note: Trade Payable Ageing schedule

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------------------------------|---------------|---------------|---------------|---------------|
| For MSME Creditors | | | | |
| Less Than 1 Years | 503.82 | 403.29 | - | - |
| 1 - 2 Years | 4.96 | 0.20 | - | - |
| 2 - 3 Years | - | - | - | - |
| More Than 3 Years | - | - | - | - |
| Total | 508.78 | 403.49 | - | - |
| For Other than MSME Creditors | | | | |
| Less Than 1 Years | 317.70 | 226.30 | 494.31 | 351.05 |
| 1 - 2 Years | 4.84 | 22.15 | - | - |
| 2 - 3 Years | 34.23 | 19.54 | - | - |
| More Than 3 Years | - | - | - | - |
| Total | 356.77 | 267.99 | 494.31 | 351.05 |

Annexure – I.10

Restated Statement of Other Current Liabilities

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|----------------------------------|---------------|---------------|---------------|---------------|
| Advance received from parties | 28.39 | 11.58 | 5.77 | 18.01 |
| <u>Directors Current Account</u> | | | | |
| - Bhavesh Parsana | - | 3.45 | 86.45 | 4.51 |
| - Mayuri Parsana | - | 0.01 | 0.79 | 1.08 |
| Commission Payable | 62.41 | 100.93 | - | - |
| Incentives Payable | 9.40 | 18.32 | - | - |
| Outstanding Expenses | 48.79 | 54.79 | 414.62 | 188.56 |
| Outstanding Statutory Dues | 38.18 | 50.02 | 46.81 | 2.01 |
| Total | 187.17 | 239.10 | 554.44 | 214.17 |

Annexure – I.11

Restated Statement of Short Term Provision

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------------------------|---------------|---------------|--------------|-------------|
| Provision for Tax | 181.74 | 119.44 | 44.38 | 2.84 |
| Waste Water Cleaning - Payable | - | 0.04 | - | - |
| Total | 181.74 | 119.48 | 44.38 | 2.84 |

Annexure – I.12

Restated Statement of Fixed Assets

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|---------------|---------------|---------------|---------------|
| Tangible Assets | | | | |
| Land & Building | 333.33 | 335.58 | 341.48 | 356.67 |
| Plant & Machinery | 134.46 | 116.03 | 124.34 | 126.80 |
| Furniture & Fittings | 49.51 | 52.79 | 59.27 | 46.97 |
| Computers, Printers & Other Accessories | 24.31 | 18.68 | 24.48 | 21.79 |
| Total Net Block of Tangible Assets | 541.61 | 523.08 | 549.57 | 552.23 |
| B) Intangible Assets | 1.00 | - | - | - |
| C) Capital Work-In-Progress | 119.66 | 107.65 | - | 4.96 |
| <i>Note: All the capital work-in-progress is with respect to internal extension of existing factory building and capitalised in the month on Oct-24, as per details mentioned below:-</i> | | | | |
| Furniture and Fitting | 15.25 | 13.09 | - | 4.96 |
| Cement work | - | 0.12 | - | - |
| Shutter | 2.42 | 0.52 | - | - |
| Lift | 5.09 | 5.09 | - | - |
| Pump | 0.12 | 0.12 | - | - |
| Electrical - Earthing Plate with Pipe and Funnel | 2.34 | 1.44 | - | - |
| Internal extension of existing factory building | 94.44 | 87.27 | - | - |
| Total of Capital Work-in-Progress | 119.66 | 107.65 | - | 4.96 |

Annexure – I.13

Restated Statement of Non - current Investments

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------|------------|------------|------------|------------|
| NA | - | - | - | - |
| Total | - | - | - | - |

Annexure – I.14

Restated Statement of Long Term Loans & Advances

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------|------------|------------|------------|------------|
| NA | - | - | - | - |
| Total | - | - | - | - |

Annexure – I.15

Restated Statement of Other Non-current Assets

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|--------------|--------------|-------------|-------------|
| Preliminary Expenses (to the extent not w/off) | - | - | 0.12 | 0.18 |
| Security Deposit | 16.33 | 13.01 | 9.71 | 5.60 |
| Total | 16.33 | 13.01 | 9.83 | 5.78 |

Annexure – I.16

Restated Statement of Current Investments

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------|------------|------------|------------|------------|
| NA | - | - | - | - |
| Total | - | - | - | - |

Annexure – I.17

Restated Statement of Inventories

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---------------------|---------------|---------------|---------------|---------------|
| Raw Materials | 325.39 | 261.63 | 207.56 | 29.03 |
| Finished Goods | 247.90 | 242.41 | 119.39 | 44.10 |
| Packing Material | 48.09 | 69.97 | 23.58 | 27.96 |
| Hardware | 20.50 | 45.12 | - | - |
| Lab | 0.32 | 0.50 | - | - |
| Semi-Finished Goods | 26.00 | 25.01 | - | - |
| Others | 6.22 | - | - | - |
| Total | 674.42 | 644.64 | 350.53 | 101.09 |

Annexure – I.18

Restated Statement of Trade Receivables

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|-----------------|-----------------|-----------------|-----------------|
| Undisputed Trade receivables – considered good | 1,874.73 | 1,490.72 | 1,446.40 | 1,043.66 |
| Undisputed Trade receivables – considered doubtful | - | - | - | - |
| Disputed Trade receivables – considered good | - | - | - | - |
| Disputed Trade receivables – considered doubtful | - | - | - | - |
| Total | 1,874.73 | 1,490.72 | 1,446.40 | 1,043.66 |

Note: Trade Receivable Ageing schedule

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------------|-----------------|-----------------|-----------------|-----------------|
| Less Than 6 Months | 1,303.59 | 870.52 | 926.58 | 872.49 |
| 6 Months - 1 Years | 179.19 | 33.73 | 63.92 | 171.17 |
| 1 - 2 Years | 391.95 | 586.47 | 455.89 | - |
| 2 - 3 Years | - | - | - | - |
| More Than 3 Years | - | - | - | - |
| Total | 1,874.73 | 1,490.72 | 1,446.39 | 1,043.66 |

Annexure – I.19

Restated Statement of Cash and Cash Equivalents

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|--------------|--------------|-------------|-------------|
| Cash In Hand | 1.96 | 5.49 | 1.34 | 0.68 |
| Balance With Bank (in Current Accounts) | 0.87 | 0.20 | 0.03 | - |
| Fixed Deposit in Bank | 7.18 | 7.18 | 6.75 | 6.41 |
| Total | 10.01 | 12.87 | 8.12 | 7.09 |

Annexure – I.20

Restated Statement of Short Term Loans and Advances

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|---------------|--------------|--------------|--------------|
| Loans and Advances to others Unsecured, Considered good | | | | |
| Advance given to Parties | 23.77 | 7.42 | 1.95 | 16.13 |
| Balance with Statutory Authorities for Income Tax, GST etc | 78.86 | 74.17 | 41.77 | 8.59 |
| Loan to Staff | 9.82 | 0.80 | 2.53 | - |
| Prepaid Expenses | 2.55 | 2.50 | 3.79 | - |
| Total | 115.00 | 84.89 | 50.04 | 24.72 |

Annexure – I.21

Restated Statement of Other Current Assets

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|------------------------|--------------|-------------|------------|------------|
| Security Deposit | - | - | - | - |
| Mayuri Parsana | 2.73 | | | |
| Bhavesh Parsana | 19.61 | | | |
| Accrued Interest on FD | 0.04 | 0.04 | - | - |
| Total | 22.38 | 0.04 | - | - |

Annexure –II.1

Restated Statement of Revenue from operations

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|-----------------|-----------------|-----------------|-----------------|
| Sale from Manufacturing Activities | | | | |
| - Domestic Sales | 2,914.13 | 4,652.44 | 4,195.38 | 1,709.74 |
| - Export Sales | 48.26 | 88.83 | 30.96 | - |
| Total Sale from Manufacturing Activities | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |
| Sale from Trading Activities | | | | |
| NA | - | - | - | - |
| | - | - | - | - |
| Total Sale from Trading Activities | - | - | - | - |
| Sale from Service Activities | | | | |
| NA | - | - | - | - |
| | - | - | - | - |
| Total Sale from Service Activities | - | - | - | - |
| Total Revenue from Operations | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |

Note-1: Details of Product wise Turnover

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|
| Industrial Chemical Sale | 2,352.14 | 3,529.42 | 3,106.30 | 1,042.99 |
| Housekeeping Chemical Sale | 488.20 | 1,026.24 | 972.02 | 528.65 |
| Drug & Cosmetic Chemical Sale | 122.05 | 185.61 | 148.02 | 138.10 |
| Total of Revenue | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |

Note-2: Details of Contribution from Top 10 Customers & Related Party

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|---------------|---------------|---------------|---------------|
| Turnover from Top 10 largest Customers | 682.03 | 856.72 | 898.18 | 586.87 |
| in % of Total Turnover | 23.02% | 18.07% | 21.25% | 34.32% |
| | | | | |
| Turnover from Related Party | - | - | 84.56 | 426.46 |
| in % of Total Turnover | 0.00% | 0.00% | 2.00% | 24.94% |

Note-3: Sector wise Turnover

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| Government | - | - | - | - |
| Private | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |
| Total of Revenue | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |

Note-4: Details of GST No wise Turnover

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| Gujarat | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |
| Total of Revenue | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |

Annexure –II.2

Restated Statement of Revenue from Other Income

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|------------|-------------|-------------|-------------|
| Bank FD Interest | - | 0.61 | 0.34 | 0.25 |
| Interest from Parties on Delayed Payment | - | 0.26 | 0.14 | 0.40 |
| Discount Received | - | 0.23 | 0.49 | - |
| Duty Drawback | - | 0.05 | 0.45 | - |
| Total | - | 1.15 | 1.42 | 0.65 |

Annexure –II.3

Restated Statement of Cost of Materials Consumed

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Opening Stock of Raw Material | 377.21 | 207.56 | 57.00 | 32.60 |
| Add: Purchase during the Years | 1,767.36 | 2,706.68 | 2,973.98 | 1,433.00 |
| Less: Closing Stock | 325.39 | 377.21 | 207.56 | 57.00 |
| Cost of Material Consumed | 1,819.18 | 2,537.03 | 2,823.42 | 1,408.60 |

Annexure –II.4

Restated Statement of Purchase of Stock-In-Trade

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------|------------|------------|------------|------------|
| NA | - | - | - | - |
| Total | - | - | - | - |

Annexure –II.5

Restated Statement of Change in Inventory

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|----------------|-----------------|----------------|----------------|
| Opening Balance: | | | | |
| Finished Goods | 242.42 | 142.97 | 44.10 | - |
| Work-in-Progress | 25.01 | - | - | - |
| Total Opening Balance | 267.43 | 142.97 | 44.10 | - |
| Closing Balance: | | | | |
| Finished Goods | 247.89 | 242.42 | 142.97 | 44.10 |
| Work-in-Progress | 101.11 | 25.01 | - | - |
| Total Closing Balance | 349.00 | 267.43 | 142.97 | 44.10 |
| Net (Increase)/Decrease in Stocks | (81.57) | (124.46) | (98.87) | (44.10) |

Annexure –II.6

Restated Statement of Employees Benefit Expenses

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|---------------|---------------|---------------|--------------|
| Directors Remuneration | 14.10 | 28.20 | 15.60 | 7.50 |
| Salaries, Wages & Bonus | 233.68 | 458.62 | 294.22 | 69.99 |
| PF Contributions | 15.08 | 27.75 | 14.84 | 2.31 |
| Staff Welfare | 3.28 | 12.64 | 8.75 | 2.32 |
| Medical Expenses & Staff Accident Policy | 0.20 | 4.52 | 1.10 | 1.01 |
| Total | 266.34 | 531.73 | 334.51 | 83.13 |

Annexure –II.7

Restated Statement of Other Expenses

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|---------------|---------------|---------------|--------------|
| Direct Manufacturing Expenses | | | | |
| Freight Inward, Loading & Unloading | 32.59 | 42.53 | 77.76 | 33.08 |
| Clearing & Forwarding - Purchase | 5.30 | 8.17 | 2.12 | 0.83 |
| Consumable Stores & Spares | 4.87 | 5.08 | 1.21 | 3.68 |
| Conveyance Expenses | 0.24 | 0.62 | 1.04 | - |
| Drainage Charges | 0.10 | 0.16 | 0.22 | 0.25 |
| Electricity Charges | 9.86 | 11.54 | 11.14 | 8.74 |
| Factory Expenses | 1.07 | 10.09 | 7.98 | 6.85 |
| Hardware & Electronics | 3.07 | 5.56 | 10.05 | 9.87 |
| Labour Charges | 87.32 | 145.79 | 111.22 | - |
| Loading & Unloading Factory | - | - | - | 0.05 |
| Travelling Expenses | 0.31 | 0.26 | 0.85 | - |
| Miscellaneous Expenses | - | 1.53 | 1.08 | - |
| Repair & Maintenance Factory | 3.62 | 5.12 | 7.63 | - |
| Waste Water Cleaning | 0.24 | 0.81 | 0.73 | - |
| Water Charges | 0.37 | 0.70 | 0.89 | - |
| Total of Direct Manufacturing Expenses | 148.96 | 237.96 | 233.92 | 63.35 |

| | | | | |
|--|---------------|-----------------|---------------|---------------|
| Administrative & Other Expenses | | | | |
| Advertisement Expenses | 2.70 | 8.25 | 4.84 | - |
| Audit Fees | - | 2.00 | 2.00 | 1.05 |
| Bad Debts | - | 1.22 | 0.80 | - |
| Business Promotion Expenses | 10.18 | 17.68 | 5.09 | 5.15 |
| Consultancy Fees | 3.79 | 22.71 | 3.17 | - |
| Consummables & Spares | - | - | - | - |
| Commission | 5.29 | 128.09 | 114.64 | - |
| Computer & Internet Expenses | 0.65 | 0.91 | 0.09 | 0.78 |
| Conveyance | 0.91 | 2.23 | 1.84 | 0.69 |
| Discount | 0.52 | 3.25 | 4.55 | - |
| Donation | 2.42 | 0.31 | 0.21 | - |
| Exchange Rate Fluctuation | 1.18 | 1.77 | - | - |
| Exhibition Expense | 0.56 | 1.66 | 2.27 | - |
| Food Expenses | 54.28 | 96.56 | 48.52 | - |
| Interest on TDS | - | - | - | 0.02 |
| Labour Charges | - | - | - | 4.02 |
| Insurance | 0.45 | 4.49 | 5.08 | 0.46 |
| Laboratory Expenses | 1.02 | 0.87 | 0.76 | 2.11 |
| Motor Cycle/Motor Car Expenses | - | - | - | 1.18 |
| Membership Fees | 0.23 | 0.19 | 0.40 | - |
| Miscellaneous Expenses | - | - | - | 2.12 |
| Office Expenses | 3.74 | 16.58 | 2.82 | 0.40 |
| Other Expenses | 2.60 | 1.97 | 1.98 | - |
| Printing & Stationery | 2.08 | 11.53 | 10.55 | 0.61 |
| Prior Period Expense | - | 0.21 | 7.04 | - |
| Profession Tax | 0.03 | 0.03 | 0.03 | 0.03 |
| Professional Fees | 8.42 | 20.04 | 10.20 | 7.09 |
| Rent | 36.37 | 59.58 | 29.00 | 1.15 |
| Rent Rate & taxes | 16.64 | 2.07 | 1.54 | - |
| Repairs & Maintenance | 4.15 | 7.29 | 7.63 | 2.15 |
| Royalty | - | - | 73.90 | 3.42 |
| Security Service Expense | 1.80 | 3.46 | 1.76 | 1.76 |
| Software Expense | 4.24 | 2.46 | 2.00 | - |
| Telephone & Mobile Expense | 0.30 | 1.45 | 4.30 | 0.02 |
| Tender Fees | 0.10 | 1.01 | 0.20 | 0.11 |
| Testing Charges | 1.63 | 5.15 | 2.28 | 0.63 |
| Transport & Freight Outward | 216.99 | 355.35 | 278.70 | 61.90 |
| Travelling Expenses | 17.33 | 35.33 | 4.76 | 0.18 |
| Water Charges, Waste Water Cleaning & Weightment Charges | | 0.12 | 0.05 | 1.18 |
| Write off | (0.63) | 1.69 | - | - |
| | | | - | - |
| Total of Administrative & Other Expenses | 399.97 | 817.52 | 633.00 | 98.23 |
| Total Other Expenses | 548.93 | 1,055.48 | 866.92 | 161.58 |

Annexure –II.8

Restated Statement of Financial Charges

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|--------------|--------------|--------------|--------------|
| Interest On Secured Loan (a) | 2.42 | 6.34 | 7.05 | 6.33 |
| Less: Subsidy received during the year (b) | (1.41) | (5.46) | (3.88) | - |
| Net Interest on Secured Loan (c=a-b) | 1.01 | 0.88 | 3.17 | 6.33 |
| Bank Charges | 1.38 | 1.83 | 1.12 | 1.06 |
| Bank OD Interest | 15.03 | 32.12 | 28.83 | - |
| Loan Processing Expenses | - | - | - | 3.00 |
| Total | 17.42 | 34.83 | 33.12 | 10.39 |

Annexure –II.9

Restated Statement of Provision For Taxation

(Rs. In lakhs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--------------|------------|------------|------------|------------|
| Current Tax | 62.30 | 119.44 | 41.54 | 10.74 |
| Deferred Tax | 2.15 | 5.82 | 5.51 | 7.91 |

Satol Chemicals Limited (Formerly known as Satol Chemicals Private Limited)
Notes Forming Part of the Restated Balance Sheet and Restated Statement of Profit and Loss
Note I.12: Property, Plant and Equipment

(Amt in Lacs)

| <u>Particulars</u> | <u>Land & Building</u> | <u>Plant & Machinery</u> | <u>Laboratory Equipments</u> | <u>Factory Equipments</u> | <u>Office Equipments</u> | <u>Computer & Printer</u> | <u>Furniture & Fixtures</u> | <u>Total Tangible Assets</u> | <u>Intellectual Property Rights - Trademark</u> | <u>Total Intangible Assets</u> | <u>Preliminary Expenses / Amortisation Expenses</u> |
|---------------------------------|----------------------------|------------------------------|------------------------------|---------------------------|--------------------------|-------------------------------|---------------------------------|------------------------------|---|--------------------------------|---|
| GROSS BLOCK | | | | | | | | | | | |
| Balance as on 01/04/2021 | 362.73 | - | - | - | - | 0.16 | - | 362.89 | - | - | 0.30 |
| Additions during the period | - | 130.55 | 6.01 | 10.52 | 2.42 | 4.14 | 49.87 | 203.51 | - | - | - |
| Sold/Disposal during the period | - | - | - | - | - | - | - | - | - | - | - |
| Closing as on 31/03/2022 | 362.73 | 130.55 | 6.01 | 10.52 | 2.42 | 4.30 | 49.87 | 566.40 | - | - | 0.30 |
| Balance as on 01/04/2022 | 362.73 | 130.55 | 6.01 | 10.52 | 2.42 | 4.30 | 49.87 | 566.40 | - | - | 0.30 |
| Additions during the period | - | 15.72 | - | - | 1.25 | 8.14 | 18.34 | 43.45 | - | - | - |
| Sold/Disposal during the period | 9.46 | 9.92 | - | - | - | - | - | 19.38 | - | - | - |
| Closing as on 31/03/2023 | 353.27 | 136.35 | 6.01 | 10.52 | 3.67 | 12.44 | 68.21 | 590.47 | - | - | 0.30 |
| Balance as on 01/04/2023 | 353.27 | 136.35 | 6.01 | 10.52 | 3.67 | 12.44 | 68.21 | 590.47 | - | - | 0.30 |
| Additions during the period | - | 0.80 | - | - | 0.30 | 2.54 | 0.34 | 3.98 | - | - | - |
| Sold/Disposal during the period | - | - | - | - | - | - | - | - | - | - | - |
| Closing as on 31/03/2024 | 353.27 | 137.15 | 6.01 | 10.52 | 3.97 | 14.98 | 68.55 | 594.45 | - | - | 0.30 |
| Balance as on 01/04/2024 | 353.27 | 137.15 | 6.01 | 10.52 | 3.97 | 14.98 | 68.55 | 594.45 | - | - | 0.30 |
| Additions during the period | 0.70 | 23.52 | 3.44 | - | 5.24 | 2.01 | 0.15 | 35.06 | 1.00 | 1.00 | - |
| Sold/Disposal during the period | - | - | - | - | - | 0.01 | - | 0.01 | - | - | - |
| Closing as on 30/09/2024 | 353.97 | 160.67 | 9.45 | 10.52 | 9.21 | 16.98 | 68.70 | 629.50 | 1.00 | 1.00 | 0.30 |

| | | | | | | | | | | | |
|--|---------------|---------------|-------------|--------------|-------------|--------------|--------------|---------------|-------------|-------------|-------------|
| <u>ACCUMULATED DEPRECIATION</u> | | | | | | | | | | | |
| Balance as on 01/04/2021 | - | - | - | - | - | - | - | - | - | - | 0.06 |
| Additions during the period | 6.06 | 3.75 | 0.61 | 0.36 | 0.09 | 0.40 | 2.90 | 14.17 | - | - | 0.06 |
| Sold/Disposal during the period | | | | | | | | - | - | - | - |
| Closing as on 31/03/2022 | 6.06 | 3.75 | 0.61 | 0.36 | 0.09 | 0.40 | 2.90 | 14.17 | - | - | 0.12 |
| Balance as on 01/04/2022 | 6.06 | 3.75 | 0.61 | 0.36 | 0.09 | 0.40 | 2.90 | 14.17 | - | - | 0.12 |
| Additions during the period | 5.89 | 8.54 | 1.20 | 2.10 | 0.65 | 2.75 | 6.04 | 27.17 | - | - | 0.06 |
| Sold/Disposal during the period | 0.16 | 0.28 | - | - | - | - | - | 0.44 | - | - | - |
| Closing as on 31/03/2023 | 11.79 | 12.01 | 1.81 | 2.46 | 0.74 | 3.15 | 8.94 | 40.90 | - | - | 0.18 |
| Balance as on 01/04/2023 | 11.79 | 12.01 | 1.81 | 2.46 | 0.74 | 3.15 | 8.94 | 40.90 | - | - | 0.18 |
| Additions during the period | 5.90 | 9.11 | 1.20 | 2.10 | 0.79 | 4.55 | 6.82 | 30.47 | - | - | 0.12 |
| Sold/Disposal during the period | | | | | | | | - | - | - | - |
| Closing as on 31/03/2024 | 17.69 | 21.12 | 3.01 | 4.56 | 1.53 | 7.70 | 15.76 | 71.37 | - | - | 0.30 |
| Balance as on 01/04/2024 | 17.69 | 21.12 | 3.01 | 4.56 | 1.53 | 7.70 | 15.76 | 71.37 | - | - | 0.30 |
| Additions during the period | 2.95 | 5.09 | 0.60 | 1.05 | 0.60 | 2.80 | 3.43 | 16.52 | - | - | - |
| Sold/Disposal during the period | - | - | - | - | - | - | - | - | - | - | - |
| Closing as on 30/09/2024 | 20.64 | 26.21 | 3.61 | 5.61 | 2.13 | 10.50 | 19.19 | 87.89 | - | - | 0.30 |
| <u>NET BLOCK</u> | | | | | | | | | | | |
| Net Block as on 31/03/2022 | 356.67 | 126.80 | 5.40 | 10.16 | 2.33 | 3.90 | 46.97 | 552.23 | - | - | 0.18 |
| Net Block as on 31/03/2023 | 341.48 | 124.34 | 4.20 | 8.06 | 2.93 | 9.29 | 59.27 | 549.57 | - | - | 0.12 |
| Net Block as on 31/03/2024 | 335.58 | 116.03 | 3.00 | 5.96 | 2.44 | 7.28 | 52.79 | 523.08 | - | - | - |
| Net Block as on 30/09/2024 | 333.33 | 134.46 | 5.84 | 4.91 | 7.08 | 6.48 | 49.51 | 541.61 | 1.00 | 1.00 | - |

| | | | | | | | | | | | | |
|--|--------------|--------------|---|-------------|---|---|---|--------------|---------------|---|---|---|
| <u>CAPITAL WORK-IN-PROGRESS</u> | | | | | | | | | | | | |
| Balance as on 01/04/2021 | - | - | - | - | - | - | - | - | - | - | - | - |
| Additions during the period | - | - | - | - | - | - | - | 4.96 | 4.96 | - | - | - |
| Sold/Disposal during the period | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing as on 31/03/2022 | - | - | - | - | - | - | - | 4.96 | 4.96 | - | - | - |
| | | | | | | | | | | | | |
| Balance as on 01/04/2022 | - | - | - | - | - | - | - | 4.96 | 4.96 | - | - | - |
| Additions during the period | - | - | - | - | - | - | - | - | - | - | - | - |
| Sold/Disposal during the period/Trfd to Fixed Assets | - | - | - | - | - | - | - | -4.96 | (4.96) | - | - | - |
| Closing as on 31/03/2023 | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | |
| Balance as on 01/04/2023 | - | - | - | - | - | - | - | - | - | - | - | - |
| Additions during the period | 87.27 | 5.85 | - | 1.44 | - | - | - | 13.09 | 107.65 | - | - | - |
| Sold/Disposal during the period | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing as on 31/03/2024 | 87.27 | 5.85 | - | 1.44 | - | - | - | 13.09 | 107.65 | - | - | - |
| | | | | | | | | | | | | |
| Balance as on 01/04/2024 | 87.27 | 5.85 | - | 1.44 | - | - | - | 13.09 | 107.65 | - | - | - |
| Additions during the period | 2.95 | 5.92 | - | 0.98 | - | - | - | 2.16 | 12.01 | - | - | - |
| Sold/Disposal during the period | - | - | - | - | - | - | - | - | - | - | - | - |
| Closing as on 30/09/2024 | 90.22 | 11.77 | - | 2.42 | - | - | - | 15.25 | 119.66 | - | - | - |

ANNEXURE –VI

Statement of Accounting & Other Ratios, As per SEBI ICDR

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|--------------------|------------------|------------------|------------------|
| Total Revenue from Operations (A) | 2,962.39 | 4,741.27 | 4,226.34 | 1,709.74 |
| Net Profit as Restated (B) | 311.12 | 551.95 | 194.82 | 65.82 |
| Add: Depreciation | 16.52 | 30.59 | 26.79 | 14.23 |
| Add: Financial Charges | 17.42 | 34.83 | 33.12 | 10.39 |
| Add: Income Tax | 64.45 | 125.27 | 47.05 | 10.74 |
| Less: Other Income | - | (1.15) | (1.42) | (0.65) |
| EBITDA - Operating Profit (C) | 409.51 | 741.49 | 300.36 | 100.53 |
| EBITDA Margin (in %) (C/A) | 13.82% | 15.64% | 7.11% | 5.88% |
| Net Worth as Restated (D) | 1,792.84 | 796.76 | 244.80 | 49.98 |
| Return on Net worth (in %) as Restated (B/D) | 17.35% | 69.28% | 79.58% | 131.68% |
| Equity Share at the end of year/period (in Nos.) (E) | 18,562 | 10,000 | 10,000 | 10,000 |
| Weighted No. of Equity Shares (G) | 18,562 | 10,000 | 10,000 | 10,000 |
| Equity Share at the end of year/period (in Nos.) (F) | 1,11,55,762 | 60,10,000 | 60,10,000 | 60,10,000 |
| <i>- (Post Bonus after restated period with retrospective effect)</i> | | | | |
| Basic & Diluted Earnings per Equity Share (B/G) | 1,676.12 | 5,519.55 | 1,948.20 | 658.19 |
| <i>- (As per end of Restated period)</i> | | | | |
| Basic & Diluted Earnings per Equity Share (B/F) | 2.79 | 9.18 | 3.24 | 1.10 |
| <i>- (Post Bonus after restated period with retrospective effect)</i> | | | | |
| Net Asset Value per Equity share as Restated Period (D/E) | 9,658.64 | 7,967.58 | 2,448.03 | 499.83 |
| Net Asset Value per Equity share (D/F) | 16.07 | 13.26 | 4.07 | 0.83 |
| <i>- (Post Bonus after restated period with retrospective effect)</i> | | | | |
| Note:- | | | | |
| EBITDA Margin = EBITDA (Operating Profit)/Revenue from Operation | | | | |
| Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year | | | | |
| Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended. | | | | |
| Return on Net worth (%) = Restated Profit after taxation / Net worth x 100 | | | | |
| Net Worth = Equity Share Capital + Reserve and Surplus (including P&L surplus) - Revaluation Reserve, If any | | | | |
| Net asset value/Book value per share (₹) = Net worth / No. of equity shares outstanding at the end of FY | | | | |
| The Company does not have any revaluation reserves or extra-ordinary items. | | | | |
| The figures disclosed above are based on the Restated Financial Statements of the Company | | | | |
| On 16-10-2024 i.e., after Restated Period, Company has allotted 1,11,37,200 Equity Shares as a Bonus Issue in the ratio of (600:1) i.e., Six Hundred Equity Share for every One fully paid-up equity share held by existing shareholders of Face Value Rs. 10/- each, for which ratio has been calculated separately with retrospective effect as mentioned above | | | | |
| Companies (Accounting Standards) Rules 2006, as amended. | | | | |

Statement of Other Accounting Ratios, as per Companies Act, 2013

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|--------------|--------------|--------------|--------------|
| Current Ratio (in times) | | | | |
| Current Assets | 2696.54 | 2233.16 | 1855.09 | 1176.56 |
| Current Liabilities | 1533.65 | 1344.87 | 1428.32 | 917.65 |
| Current Ratio | 1.76 | 1.66 | 1.30 | 1.28 |
| Debt-Equity Ratio (in times) | | | | |
| Total Debts | 326.48 | 1030.85 | 1063.15 | 1113.59 |
| Share holders equity + R/S | 1792.84 | 796.76 | 244.80 | 49.98 |
| Debt Equity Ratio | 0.18 | 1.29 | 4.34 | 22.28 |
| Debt Service Coverage Ratio (in times) | | | | |
| Earning available for Debt Service | 328.65 | 583.42 | 224.78 | 86.38 |
| Interest + Installment | 10.89 | 19.14 | 20.71 | 20.38 |
| Debt Service Coverage Ratio | 30.19 | 30.48 | 10.85 | 4.24 |
| Return on Equity Ratio (in %) | | | | |
| Net Profit after Tax | 311.12 | 551.95 | 194.82 | 65.82 |
| Average Share Holders Equity | 1294.80 | 520.78 | 147.39 | 17.07 |
| Return on Equity Ratio | 24% | 106% | 132% | 386% |
| Inventory turnover ratio (in times) | | | | |
| Cost Of Goods Sold | 1685.79 | 2582.22 | 2875.11 | 1388.90 |
| Average Inventory | 308.22 | 497.59 | 225.81 | 66.85 |
| Inventory turnover ratio | 5.47 | 5.19 | 12.73 | 20.78 |
| Trade Receivables Turnover Ratio (in times) | | | | |
| Net Credit Sales | 2962.39 | 4741.27 | 4226.34 | 1709.74 |
| Average Receivable | 1682.73 | 1468.56 | 1245.03 | 521.83 |
| Trade Receivables turnover ratio | 1.76 | 3.23 | 3.39 | 3.28 |
| Trade Payables Turnover Ratio (in times) | | | | |
| Credit Purchase | 1767.36 | 2706.68 | 2973.98 | 1433.00 |
| Average Payable | 768.52 | 582.90 | 422.68 | 201.61 |
| Trade Payables Turnover Ratio | 2.30 | 4.64 | 7.04 | 7.11 |
| Net Capital Turnover Ratio (in times) | | | | |
| Revenue from Operations | 2962.39 | 4741.27 | 4226.34 | 1709.74 |
| Net Working Capital | 1162.90 | 888.29 | 426.77 | 258.91 |
| Net Capital Turnover Ratio | 2.55 | 5.34 | 9.90 | 6.60 |
| Net Profit Ratio (in times) | | | | |
| Net Profit | 311.12 | 551.95 | 194.82 | 65.82 |
| Revenue from Operations | 2962.39 | 4741.27 | 4226.34 | 1709.74 |
| Net Profit Ratio | 0.11 | 0.12 | 0.05 | 0.04 |
| Return on Capital Employed (in %) | | | | |
| Earnings Before Interest and Tax | 392.99 | 712.05 | 274.99 | 86.95 |
| Capital Employed | 1820.13 | 1512.80 | 972.76 | 813.98 |
| Return on Capital Employed | 22% | 47% | 28% | 11% |
| Return on Investment (in %) | | | | |
| Return | 0.00 | 0.61 | 0.34 | 0.25 |
| Investments | 7.18 | 7.18 | 6.75 | 6.41 |
| Return on Investment | 0% | 8% | 5% | 4% |

ANNEXURE –VII

Statement of Capitalization, As Restated

| Particulars | Pre-Issue | Post Issue As adjusted with Proposed Issue* |
|--|-----------------|--|
| | 30-09-2024 | |
| Debt : | | |
| Short Term Debt | 287.06 | 287.06 |
| Long Term Debt | 39.42 | 39.42 |
| Total Debt | 326.48 | 326.48 |
| | | |
| Shareholders Funds | | |
| Equity Share Capital | 1.86 | 1,535.58 |
| Reserves and Surplus | 1,790.98 | 3,281.26 |
| Less: Misc. Expenditure | - | - |
| Total Shareholders' Funds | 1,792.84 | 4,816.84 |
| | | |
| <i>Long Term Debt/ Shareholders' Funds</i> | <i>0.02</i> | <i>0.01</i> |
| <i>Total Debt / Shareholders Fund</i> | <i>0.18</i> | <i>0.07</i> |

* Assuming Full Allotment of 42,00,000 IPO shares @ INR 72/- each.

ANNEXURE –VIII

Statement of Tax Shelter, As Restated

| Particulars | As At | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Profit Before Tax as per books of accounts (A) | 375.57 | 677.22 | 241.87 | 76.56 |
| -- Normal Tax rate | 17.16% | 17.17% | 17.17% | 17.48% |
| -- Minimum Alternative Tax rate | 16% | 16% | 16% | 19% |
| Permanent differences | | | | |
| Other adjustments | - | 0.12 | - | (16.79) |
| Prior Period Item | - | - | - | - |
| Disallowed Expenses | - | 9.17 | 20.72 | 2.59 |
| Total (B) | | 9.29 | 20.72 | (14.20) |
| Timing Differences | | | | |
| Depreciation as per Books of Accounts | 16.52 | 30.47 | 26.73 | 14.17 |
| Depreciation as per Income Tax | 29.03 | 64.41 | 58.84 | 60.24 |
| Difference between tax depreciation and book depreciation | (12.51) | (33.94) | (32.11) | (46.07) |
| Other adjustments | | - | - | - |
| Foreign income included in the statement | | - | - | - |
| Total (C) | (12.51) | (33.94) | (32.11) | (46.07) |
| Net Adjustments (D = B+C) | (12.51) | (24.65) | (11.39) | (60.27) |
| Total Income (E = A+D) | 363.06 | 652.58 | 230.48 | 16.30 |
| Brought forward losses set off (Depreciation) | - | - | - | - |
| Tax effect on the above (F) | - | - | - | - |
| Taxable Income/ (Loss) for the year/period (E+F) | 363.06 | 652.58 | 230.48 | 16.30 |
| Tax Payable for the year | 62.30 | 112.05 | 39.57 | 2.85 |
| Add : Interest Payable | | 7.40 | 1.96 | |
| Tax payable as per MAT | 58.00 | 102.00 | 36.00 | 3.00 |
| Tax expense recognised | 62.30 | 119.44 | 41.54 | 2.84 |
| Tax payable as per normal rates or MAT (whichever is higher) | Income Tax | Income Tax | Income Tax | Income Tax |

ANNEXURE –IX

Statement of Related Parties & Transactions

The company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India and executed at Arm's Length Price.

| Name of the key managerial personnel/Entity | Relationship |
|---|--|
| Bhavesh Thakarshibhai Parsana | Director |
| Mayuri Bhavesh Parsana | Director |
| Satol Chemicals Unit II | Proprietorship firm of Bhavesh Parsana |
| Safo Industries Solutions LLP | Bhavesh Parsana is Designated Partner |

Transactions with Related Parties:

(Amt in ₹ Lacs)

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|----------------|---------------|---------------|---------------|
| Remuneration paid to Directors | | | | |
| - Bhavesh Thakarshibhai Parsana | 9.00 | 18.00 | 10.80 | 6.00 |
| - Mayuri Bhavesh Parsana | 5.10 | 10.20 | 4.80 | 1.50 |
| Total | 14.10 | 28.20 | 15.60 | 7.50 |
| Sales to Satol Unit II (Proprietorship firm of Bhavesh Parsana) | | | | |
| | - | - | 84.56 | 426.46 |
| Total | - | - | 84.56 | 426.46 |
| Trademark | | | | |
| - Bhavesh Thakarshibhai Parsana (For Satol) | 0.50 | - | - | - |
| - Bhavesh Thakarshibhai Parsana (For Stanza) | 0.50 | - | - | - |
| Total | 1.00 | - | - | - |
| Royalty Paid | | | | |
| - Bhavesh Thakarshibhai Parsana | - | - | 73.89 | 3.42 |
| Total | - | - | 73.89 | 3.42 |
| Rent paid to Director | | | | |
| - Bhavesh Thakarshibhai Parsana | 1.60 | - | - | - |
| Total | 1.60 | - | - | - |
| Sundry Debtors - Satol Unit II (Proprietorship firm of Bhavesh Parsana) | | | | |
| Opening Balance | 391.95 | 511.02 | 426.46 | - |
| Add: Sales during the year | - | - | 84.56 | 426.46 |
| Less: Amount received during the year | - | (119.07) | - | - |
| Closing Balance of Sundry Debtors | 391.95 | 391.95 | 511.02 | 426.46 |
| Unsecured Loans - Bhavesh Thakarshibhai Parsana | | | | |
| Opening Balance of Loan | 675.00 | 675.00 | 693.50 | 443.05 |
| Net Transactions during the year | - | - | (18.50) | 250.45 |
| Conversion of Loan into Equity during the year | (675.00) | - | - | - |
| Closing Balance of Loan | - | 675.00 | 675.00 | 693.50 |
| Unsecured Loans - Mayuri Bhavesh Parsana | | | | |
| Opening Balance of Loan | 10.00 | 10.00 | 10.00 | 10.00 |
| Net Transactions during the year | - | - | - | - |
| Conversion of Loan into Equity during the year | (10.00) | - | - | - |
| Closing Balance of Loan | - | 10.00 | 10.00 | 10.00 |
| Directors Current Account | | | | |
| Bhavesh Thakarshibhai Parsana | | | | |
| Opening Balance | 3.46 | 86.45 | 4.51 | 0.45 |
| Net Transactions during the year | (23.07) | (82.99) | 81.94 | 4.06 |
| Closing Balance of Current Account | (19.61) | 3.46 | 86.45 | 4.51 |
| Mayuri Bhavesh Parsana | | | | |
| Opening Balance | - | 0.79 | 1.08 | - |
| Net Transactions during the year | (2.73) | (0.79) | (0.29) | 1.08 |
| Closing Balance of Current Account | (2.73) | - | 0.79 | 1.08 |

| | | | | |
|---|---------|--------|--------|--------|
| Closing Balance of Related Parties | | | | |
| Unsecured Loan | | | | |
| - Bhavesh Thakarshibhai Parsana | - | 675.00 | 675.00 | 693.50 |
| - Mayuri Bhavesh Parsana | - | 10.00 | 10.00 | 10.00 |
| Directors Current Account | | | | |
| - Bhavesh Thakarshibhai Parsana | (19.61) | 3.46 | 86.45 | 4.51 |
| - Mayuri Bhavesh Parsana | (2.73) | - | 0.79 | 1.08 |
| Royalty | | | | |
| - Bhavesh Thakarshibhai Parsana | - | - | - | 3.08 |

ANNEXURE –X

Statement of Dividends

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|----------------------------|------------|------------|------------|------------|
| No Dividend paid till date | N/A | N/A | N/A | N/A |

ANNEXURE –XI

Statement of Contingent Liabilities & Commitment:

| Particulars | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|------------|------------|------------|------------|
| Contingent Liabilities | N/A | N/A | N/A | N/A |
| Claims against the company not acknowledged as debt | N/A | N/A | N/A | N/A |
| Corporate Guarantees Given | N/A | N/A | N/A | N/A |
| Bank Guarantees Given | N/A | N/A | N/A | N/A |
| Other money for which the company is contingently liable | N/A | N/A | N/A | N/A |
| Commitments | N/A | N/A | N/A | N/A |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | N/A | N/A | N/A | N/A |
| Other commitments (specify nature). | N/A | N/A | N/A | N/A |

7. Material Adjustments

In Profit and Loss Account

| Particulars | For the Period/FY ended | | | |
|--|-------------------------|---------------|---------------|--------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Profit After Tax as per Books of Accounts | 308.97 | 555.19 | 194.80 | 65.82 |
| Adjustment for provision of Depreciation | | | | |
| Adjustment for provision of Income Tax | 2.15 | (3.23) | 0.02 | |
| Adjustment for provision of Deferred Tax | | | | |
| Profit After Tax as per Restated | 311.12 | 551.95 | 194.82 | 65.82 |

The impact of the above has been suitably incorporated in the restated balance sheet.

Material Regrouping

| Particulars | For the Period/FY ended | | | |
|---|-------------------------|---------------|---------------|--------------|
| | 30-09-2024 | 31-03-2024 | 31-03-2023 | 31-03-2022 |
| Reserve & Surplus as per Books of Accounts | 1,792.06 | 798.99 | 243.80 | 48.98 |
| Adjustment in Profit & Loss Accounts | (1.09) | (3.23) | | |
| Adjustment in opening Balance | | | | |
| Reserve & Surplus as per Restated | 1,790.98 | 795.75 | 243.80 | 48.98 |

FINANCIAL INDEBTEDNESS

STATEMENT OF FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of the issuer Company, **M/s Satol Chemicals Limited** (*erstwhile known as M/s Satol Chemicals Private Limited*) and further explanations and information provided by the management of the Companies, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at **31st March, 2024 and 30th September, 2024** and the latest available limits are as mentioned below:

(Rs. In Lakhs)

| Nature of Borrowing | Outstanding as on September 30, 2024 | Outstanding as on March 31, 2024 |
|---------------------|--------------------------------------|----------------------------------|
| Secured Loan | 326.48 | 345.85 |
| Unsecured Loan | -- | 685.00 |
| Total | 326.48 | 1,030.85 |

A. Secured Loans

(Rs. In Lakhs)

| Name of Lender | Date of latest Sanction | Type of Facility | Purpose | Validity/ Repayment Terms | Rate of Interest | Sanctioned Amount | Outstanding as on 30/09/2024 | Outstanding as on 31/03/2024 |
|-------------------------------|-------------------------|--------------------------|--------------|---------------------------|------------------|-------------------|------------------------------|------------------------------|
| HDFC Bank | 05/01/2025 | Term Loan-I* (Existing) | Capex | 63 Installment | 10.21% p.a. | 99.14 | 39.42 | 49.30 |
| HDFC Bank | 05/01/2025 | Cash Credit# | Business Use | 12 months | 10.08% p.a. | 265.00 | 287.06 ^{##} | 296.55 ^{##} |
| HDFC Bank | 05/01/2025 | Term Loan-II^ (Proposed) | New Capex | 60 Installment | 10.50% p.a. | 115.00 | -- | -- |
| TOTAL FUND BASED LIMIT | | | | | | 479.14 | 326.48 | 345.85 |

* The original limit sanctioned for ₹115.00 Lakhs in 60 installments vide sanction letter dated 22/02/2021 with ROI of 8.20% p.a.

The limit will be reduced by ₹2.00 lakhs per month as per borrower request.

The drop-down limit as on 31/03/2024 was ₹297.00 Lakhs and as on 30/09/2024 was ₹285.00 lakhs.

^ New term loan is part of project with a total cost of ₹29.08 Crores and release of funds are subject to fund raising to meet the full project cost for capex.

Non-Fund Based:

(Rs. In Lakhs)

| Name of Lender | Date of Sanction | Type of Facility | Purpose | Validity/ Repayment Terms | Margin | Sanctioned Amount | Outstanding as on 30/09/2024 | Outstanding as on 31/03/2024 |
|-----------------------------------|------------------|------------------|---------|---------------------------|--------|-------------------|------------------------------|------------------------------|
| HDFC Bank | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| TOTAL NON-FUND BASED LIMIT | | | | | | Nil | Nil | Nil |

NOTE ON DETAILS TERMS OF SECURED LOAN:**1. PRINCIPAL TERMS OF CREDIT FACILITY AVAILED FROM HDFC BANK:**

- Facility** : Cash Credit limit of Rs. 265.00 Lakhs
: Term Loan - I limit of Rs. 99.14 Lakhs (Existing)
: Term Loan - II limit of Rs. 115.00 Lakhs (Proposed)
- Date of Renewal** : 05/01/2025
- Primary Security** : Stock, Book Debts, Residential Property and Commercial Plant & Machinery.
- Collateral Security** : As mentioned below
- 1) Residential property, Flat No. 1303, Chandavarkar Road, 13th Floor, A-Wing, Building No. 3, Aditya Tower, Opposite Shyam Prasad Mukherji Garden, Borivali – 400092 (Area of 1152 Sq. Ft.) in the name of Bhavesh Thakarshibhai Parsana and Mayuri Bhavesh Parsana
 - 2) Commercial property, 102, 1st Floor, Off Devidas Lane, Borivali – 400092 (Area of 1220 Sq. Ft.), in the name of Bhavesh Thakarshibhai Parsana
- Personal Guarantee of** : Mr. Bhavesh Thakarshibhai Parsana
: Mrs. Mayuri Parsana
- Corporate Guarantee** : NIL
- Special Condition** : As mentioned in foot note of Table-A (Secured Loan)

B. Unsecured Loans:*(Rs. In Lakhs)*

| Sr. No. | Name of Lender | Purpose | Re-payment Terms | ROI | Outstanding as on September 30, 2024 | Outstanding as on March 31, 2024 |
|--------------------------------|---------------------|----------|---------------------|------|--------------------------------------|----------------------------------|
| 1 | Mr. Bhavesh Parsana | Business | Repayable on Demand | N.A. | Nil | 675.00 |
| 2 | Mrs. Mayuri Parsana | Business | Repayable on Demand | N.A. | Nil | 10.00 |
| Total of Unsecured Loan | | | | | Nil | 685.00 |

The loan of Mr. Bhavesh Parsana and Mrs. Mayuri Parsana has been converted into equity on 16/08/2024

For Vijay Darji and Associates
Chartered Accountants
Firm's Registration Number: 118614W

Sd/-

CA Vijay Darji
Proprietor
Membership Number: 105197
Place: Mumbai
Date: 13/01/2025
UDIN: 25105197BMIHOJ4035

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements for the six months period ended 30th September 2024 and for the financial year ended on 31st March 2024, 31st March 2023 and 31st March 2022 including the notes and significant accounting policies thereto and the reports thereon. These financial statements have been prepared in accordance with Ind GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated January 13, 2025 which is included in this Draft prospectus under the section titled **“Financial Information as Restated”** beginning on page 178 of this Draft prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.*

*You should also see the section titled **“Risk Factors”** beginning on page 22 of this Draft prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company, unless otherwise stated, is based on restated audited financial statements.*

*This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under **“Risk Factors”** and **“Forward Looking Statements”** beginning on pages 22 and 15 respectively, and elsewhere in this Draft Prospectus.*

*Accordingly, the degree to which the financial statements in this Draft Prospectus will provide meaningful information depends entirely on such potential investor's level of familiarity with Indian accounting practices. Our F.Y. ends on March 31 of each year; therefore, all references to a particular fiscal are to the twelve-month period ended March 31 of that year. Please also refer to section titled **“Certain Conventions, Use of Financial, Industry and Market Data and Currency Presentation”** beginning on page 13 of this Draft Prospectus.*

BUSINESS OVERVIEW

Our company was originally established as a Private Limited Company under the name and style of **“Satol Chemicals Private Limited”** in accordance with the Companies Act, 2013 pursuant to a Certificate of Incorporation issued by Registrar of Companies, Central Registration Centre on October 23, 2020 with the corporate identification number (CIN) being U24290MH2020PTC348489. Subsequently, our company was converted into Public Limited Company under the Companies Act, 2013 and the name of our Company was changed to **“Satol Chemicals Limited.”** vide a fresh Certificate of Incorporation consequent upon conversion from Private Company to Public Company dated July 01, 2024, bearing Corporate Identification Number U24290MH2020PLC348489, issued by the Registrar of Companies, Central Processing Centre.

We are an **ISO 9000:2015** and **GMP-certified** manufacturer specializing in eco-friendly specialty chemicals, delivering high-quality, effective, and safe cleaning solutions. Our industrial range includes alkaline and acidic cleaners, lubricants, descalers, foam cleaners, defoamer, antiscalants and disinfectants. Additionally, our house-keeping products encompass bathroom and floor cleaners, shampoos, detergent powders, fabric softeners, glass cleaners, grill cleaners, and room fresheners. In the drug and cosmetic segment, we offer premium hand washes, hand sanitizers, germicidal cleaners, and disinfectant floor cleaners, ensuring top-tier quality and safety across all our product lines.

Our company is proud to offer an extensive range of products catering to a broad spectrum of industries, from Industrial sectors such as Breweries, Beverages, Dairy, and Food Processing to Poultry, Fisheries and Water Treatment. We also serve the Institutional Cleaning sector, with a particular focus on Commercial Laundry, Facility Management, Hotels, and Healthcare. Our solutions extend further into Retail, Education, Government institutions, and the Food Services industry, ensuring that each segment receives tailored products designed to meet its unique operational needs.

Mr. Bhavesh Thakarshibhai Parsana, our Promoter and Managing Director, laid the foundation of Satol Chemicals in 2006 as a proprietorship concern in Parwanoo, Himachal Pradesh. Ten years later, in 2016, he closed the first Satol Chemical unit and established a second facility, Satol Chemicals Unit-II, in the same area but on a separate premises. To adopt a corporate structure, Satol Chemicals Private Limited was incorporated in the year 2020. Subsequently, in 2023, the second facility, Satol Chemicals Unit-II, was also closed and all revenue operations transitioned to our Company.

At the heart of our organization lie our core values, which drive everything we do. We are committed to delivering optimal customer satisfaction, ensuring that every interaction, product, and service is designed to provide a delightful and seamless experience. We constantly strive for continuous improvement in our quality standards, recognizing that innovation and excellence are essential for staying ahead in a competitive market. In doing so, we ensure a cost-effective approach for our customers without compromising on quality. Our relationships with clients are based on trust, transparency, and reliability, reflecting our belief that professional engagements should extend beyond mere transactions, cultivating long-term partnerships grounded in mutual respect and understanding.

Additionally, we place a strong emphasis on employee welfare, recognizing that our workforce is our most valuable asset. By fostering an environment of inclusivity, growth, and well-being, we ensure that our employees are empowered to contribute their best to the organization. We are also dedicated to environmental sustainability, aligning our operations with practices that reduce waste and encourage responsible resource usage, ensuring that our products not only serve industry needs but also support a more sustainable future. These values shape our corporate philosophy and are essential to our ongoing mission of delivering value to our clients and society at large.

Product-wise break up of Revenue:

(₹ in Lakhs)

| Segments | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|--------------------------|--------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|
| | Total Sales | % of Total Sales | Total Sales | % of Total Sales | Total Sales | % of Total Sales | Total Sales | % of Total Sales |
| Industrial Products | 2,352.14 | 79.40% | 3,529.42 | 74.44% | 3,106.30 | 73.50% | 1,042.99 | 61.00% |
| House Keeping Products | 488.20 | 16.48% | 1,026.24 | 21.64% | 972.02 | 23.00% | 528.65 | 30.92% |
| Drug & Cosmetic Products | 122.05 | 4.12% | 185.61 | 3.91% | 148.02 | 3.50% | 138.10 | 8.08% |
| Total | 2,962.39 | 100.00% | 4,741.27 | 100.00% | 4,226.34 | 100.00% | 1,709.74 | 100.00% |

Geography-wise Revenue is as follows:

Domestic:

(₹ in Lakhs)

| State | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|-----------------------|--------------------|-------|----------------|--------|----------------|--------|----------------|--------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Andhra Pradesh | 117.43 | 4.03% | 241.08 | 5.18% | 180.74 | 4.31% | 31.21 | 1.83% |
| Arunachal Pradesh | 23.01 | 0.79% | 53.31 | 1.15% | 22.77 | 0.54% | 3.65 | 0.21% |
| Assam | 82.38 | 2.83% | 182.15 | 3.92% | 131.95 | 3.15% | 52.38 | 3.06% |
| Bihar | 52.94 | 1.82% | 143.23 | 3.08% | 94.17 | 2.24% | 32.02 | 1.87% |
| Chhattisgarh | 35.44 | 1.22% | 41.50 | 0.89% | 32.77 | 0.78% | - | 0.00% |
| Chandigarh | 0.01 | 0.00% | 0.37 | 0.01% | 4.40 | 0.10% | 18.44 | 1.08% |
| Dadra Nagar/Diu Daman | 9.38 | 0.32% | 15.73 | 0.34% | 10.91 | 0.26% | 4.06 | 0.24% |
| Goa | 6.24 | 0.21% | 4.12 | 0.09% | 3.01 | 0.07% | 0.35 | 0.02% |
| Delhi | 14.03 | 0.48% | 15.57 | 0.33% | 23.06 | 0.55% | 8.32 | 0.49% |
| Gujarat | 272.75 | 9.36% | 357.25 | 7.68% | 350.34 | 8.35% | 62.93 | 3.68% |
| Haryana | 71.99 | 2.47% | 118.28 | 2.54% | 153.23 | 3.65% | 66.37 | 3.88% |
| Himachal Pradesh | 12.08 | 0.41% | 14.70 | 0.32% | 12.92 | 0.31% | 2.28 | 0.13% |
| Telangana | 80.56 | 2.76% | 186.01 | 4.00% | 171.41 | 4.09% | 56.88 | 3.33% |
| Madhya Pradesh | 227.37 | 7.80% | 489.42 | 10.52% | 564.56 | 13.46% | 210.66 | 12.32% |
| Jammu & Kashmir | 57.91 | 1.99% | 83.89 | 1.80% | 84.01 | 2.00% | 7.59 | 0.44% |
| Jharkhand | 77.03 | 2.64% | 110.04 | 2.37% | 43.20 | 1.03% | 13.71 | 0.80% |
| Karnataka | 174.26 | 5.98% | 221.14 | 4.75% | 192.22 | 4.58% | 79.73 | 4.66% |
| Kerala | 44.90 | 1.54% | 28.78 | 0.62% | 9.31 | 0.22% | 2.91 | 0.17% |
| West Bengal | 187.98 | 6.45% | 332.86 | 7.15% | 284.75 | 6.79% | 185.08 | 10.83% |

| State | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|---------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Maharashtra | 425.31 | 14.59% | 799.41 | 17.18% | 785.74 | 18.73% | 480.19 | 28.09% |
| Meghalaya | 11.07 | 0.38% | 22.81 | 0.49% | 28.84 | 0.69% | 5.07 | 0.30% |
| Rajasthan | 160.28 | 5.50% | 217.98 | 4.69% | 149.25 | 3.56% | 61.24 | 3.58% |
| Odisha | 71.30 | 2.45% | 87.70 | 1.89% | 74.75 | 1.78% | 34.40 | 2.01% |
| Punjab | 104.51 | 3.59% | 146.32 | 3.15% | 147.43 | 3.51% | 47.43 | 2.77% |
| Sikkim | 14.43 | 0.50% | 24.29 | 0.52% | 16.49 | 0.39% | - | - |
| Tamil Nadu | 255.78 | 8.78% | 342.66 | 7.37% | 327.84 | 7.81% | 117.80 | 6.89% |
| Uttar Pradesh | 266.64 | 9.15% | 327.09 | 7.03% | 269.66 | 6.43% | 111.13 | 6.50% |
| Uttarakhand | 38.00 | 1.30% | 43.38 | 0.93% | 25.68 | 0.61% | 13.92 | 0.81% |
| Manipur | 0.70 | 0.02% | 1.33 | 0.03% | - | - | - | - |
| Tripura | 0.01 | 0.00% | 0.04 | 0.00% | - | - | - | - |
| Puducherry | 18.43 | 0.63% | - | - | - | - | - | - |
| Total | 2,914.13 | 100.00% | 4,652.44 | 100.00% | 4,195.38 | 100.00% | 1,709.74 | 100.00% |

Country-wise Turnover

₹ in lakhs

| Country | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|-----------------------------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| India | 2,914.13 | 98.37% | 4,652.44 | 98.13% | 4,195.38 | 99.27% | 1,709.74 | 100.00% |
| Bangladesh | 7.27 | 0.25% | - | - | 11.69 | 0.28% | - | - |
| Bhutan | 6.34 | 0.21% | 13.15 | 0.28% | - | - | - | - |
| Hong Kong | - | - | 0.01 | 0.00% | - | - | - | - |
| Kenya | - | - | - | - | 19.27 | 0.45% | - | - |
| Maldives | - | - | 1.97 | 0.04% | - | - | - | - |
| Myanmar | 8.54 | 0.29% | 10.65 | 0.22% | - | - | - | - |
| Nepal | 20.35 | 0.67% | 54.89 | 1.15% | - | - | - | - |
| Sri Lanka | 5.05 | 0.17% | 7.36 | 0.16% | - | - | - | - |
| SEZ (Deemed Exports) – Tamil Nadu | 0.71 | 0.02% | - | - | - | - | - | - |
| Tanzania | - | - | 0.81 | 0.02% | - | - | - | - |
| Total | 2,962.39 | 100.00% | 4,741.27 | 100.00% | 4,226.34 | 100.00% | 1,709.74 | 100.00% |

| Particulars | September 30, 2024 | | March 31, 2024 | | March 31, 2023 | | March 31, 2022 | |
|--------------|--------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | Amount | In % | Amount | In % | Amount | In % | Amount | In % |
| Domestic | 2,914.13 | 98.36% | 4,652.44 | 98.13% | 4,195.38 | 99.27% | 1,709.74 | 100.00% |
| Exports | 48.26 | 1.64% | 88.83 | 1.87% | 30.96 | 0.73% | - | - |
| Total | 2,962.39 | 100.00% | 4,741.27 | 100.00% | 4,226.34 | 100.00% | 1,709.74 | 100.00% |

OUR LOCATIONAL PRESENCE

Registered office: 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India

Manufacturing Unit: Plot No. 4923, Near Technotrap, Plastic Zone, Manda Village, GIDC Sarigam, District- Valsad- 396155, Gujarat, India

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e. September 30, 2024 as disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. The Board of Directors have decided to get their equity shares listed on SME Platform of BSE Limited and pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on September 27, 2024 proposed the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. 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 September 30, 2024 authorized the Initial Public Offer.
3. Our Company has allotted 1,11,37,200 Equity Shares on October 16, 2024 as a Bonus Issue in the ratio of (600:1) i.e., Six Hundred Equity Shares for every One fully paid-up equity share held by existing shareholders of Face Value Rs. 10/- each.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

1. Our dependence on limited number of customers/suppliers/brands for a significant portion of our revenues;
2. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
3. Our ability to retain and hire key employees or maintain good relations with our workforce;
4. Impact of any reduction in sales of our services/products;
5. Rapid Technological advancement and inability to keep pace with the change;
6. Increased competition in industries/sector in which we operate;
7. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
8. Changes in laws and regulations relating to the Sectors in which we operate;
9. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
10. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
11. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition and
12. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability.

SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are described in the section entitled **“Financial Statements as Restated”** beginning from page 178 of the Draft Prospectus.

FINANCIAL KPIs OF THE COMPANY:

(₹ in lakhs except percentage and ratios)

| Particulars | 30-09-2024* | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|--|-------------|------------|------------|------------|
| Total Income | 2,962.39 | 4742.42 | 4227.76 | 1710.39 |
| Growth (%) | -37.53% | 12.17% | 147.18% | N.A. |
| Revenue from Operation | 2,962.39 | 4741.27 | 4226.34 | 1709.74 |
| EBITDA (Operating Profit) | 409.51 | 741.49 | 300.36 | 100.53 |
| EBITDA Margin (%) | 13.82% | 15.64% | 7.11% | 5.88% |
| PAT | 311.12 | 551.95 | 194.82 | 65.82 |
| Growth (%) | -43.63% | 183.32% | 195.99% | N.A. |
| PAT Margin (%) (PAT/Revenue from Operation) | 10.50% | 11.64% | 4.61% | N.A. |
| EPS (Basic & Diluted) - (As per end of Restated period) | 1,676.12 | 5519.55 | 1948.20 | 658.19 |
| EPS (Basic & Diluted) - (Post Bonus with retrospective effect) | 2.79 | 9.18 | 3.24 | 1.10 |
| Total Borrowings | 326.48 | 1,030.85 | 1,063.15 | 1,113.59 |
| Total Net Worth (TNW) | 1,792.84 | 796.76 | 244.80 | 49.98 |

| Particulars | 30-09-2024* | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|---|-------------|------------|------------|------------|
| RONW (%) | 17.35% | 69.28% | 79.58% | 131.68% |
| ROCE (%) | 21.59% | 47.07% | 28.27% | 10.68% |
| Debt Equity Ratio (Total Borrowing/TNW) | 0.18 | 1.29 | 4.34 | 22.28 |

* Data as on 30/09/2024 are for six months only and not annualised, so it's not truly comparable.

As certified by our statutory auditor having peer review certificate M/s. M/s. Vijay Darji and Associates, Chartered Accountant vide their examination report dated 13/01/2025

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from restated profit and loss accounts for the six months period ended 30th September 2024 and for the financial years ended on 31st March 2024, 31st March 2023 and 31st March 2022 and the components of which are also expressed as a percentage of total income for such periods.

(₹ in lakhs except as otherwise mentioned)

| Particulars | For the Period/Year ended on (Rs. In lakhs) | | | | | | | |
|---|---|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|
| | 30-09-2024 | % of Total Turnover | 31-03-2024 | % of Total Turnover | 31-03-2023 | % of Total Turnover | 31-03-2022 | % of Total Turnover |
| Income | | | | | | | | |
| Revenue from Operations | 2,962.39 | 100.00% | 4,741.27 | 99.98% | 4,226.34 | 99.97% | 1,709.74 | 99.96% |
| Other Income | - | 0.00% | 1.15 | 0.02% | 1.42 | 0.03% | 0.65 | 0.04% |
| Total Income | 2,962.39 | 100.00% | 4,742.42 | 100.00% | 4,227.76 | 100.00% | 1,710.39 | 100.00% |
| Expenditure | | | | | | | | |
| Cost of Material Consumed | 1,819.18 | 61.41% | 2,537.03 | 53.50% | 2,823.42 | 66.78% | 1,408.60 | 82.36% |
| Purchase of Stock-in-Trade | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Change in Inventories | (81.57) | -2.75% | (124.46) | -2.62% | (98.87) | -2.34% | (44.10) | -2.58% |
| Employee Benefit Expenses | 266.34 | 8.99% | 531.73 | 11.21% | 334.51 | 7.91% | 83.13 | 4.86% |
| Other Expenses | 548.93 | 18.53% | 1,055.48 | 22.26% | 866.92 | 20.51% | 161.58 | 9.45% |
| Total Expenses | 2,552.88 | 86.18% | 3,999.78 | 84.34% | 3,925.98 | 92.86% | 1,609.21 | 94.08% |
| Profit Before Interest, Depreciation and Tax | 409.51 | 13.82% | 742.64 | 15.66% | 301.78 | 7.14% | 101.18 | 5.92% |
| Depreciation & Amortisation Expenses | 16.52 | 0.56% | 30.59 | 0.65% | 26.79 | 0.63% | 14.23 | 0.83% |
| Profit Before Interest and Tax | 392.99 | 13.27% | 712.05 | 15.01% | 274.99 | 6.50% | 86.95 | 5.08% |
| Financial Charges | 17.42 | 0.59% | 34.83 | 0.73% | 33.12 | 0.78% | 10.39 | 0.61% |
| Profit before Taxation | 375.57 | 12.68% | 677.22 | 14.28% | 241.87 | 5.72% | 76.56 | 4.48% |
| Provision for Taxation | 62.30 | 2.10% | 119.44 | 2.52% | 41.54 | 0.98% | 2.84 | 0.17% |
| Provision for Deferred Tax | 2.15 | 0.07% | 5.82 | 0.12% | 5.51 | 0.13% | 7.91 | 0.46% |
| Total | 64.45 | 2.18% | 125.27 | 2.64% | 47.05 | 1.11% | 10.74 | 0.63% |
| Profit After Tax but Before Extra ordinary Items | 311.12 | 10.50% | 551.95 | 11.64% | 194.82 | 4.61% | 65.82 | 3.85% |
| Extraordinary Items | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Profit Attributable to Minority Shareholders | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% |
| Net Profit after adjustments | 311.12 | 10.50% | 551.95 | 11.64% | 194.82 | 4.61% | 65.82 | 3.85% |
| Net Profit Transferred to Balance Sheet | 311.12 | 10.50% | 551.95 | 11.64% | 194.82 | 4.61% | 65.82 | 3.85% |

For the six months period ended on 30th September 2024, we generated a total income of INR 2,962.39 Lakhs, EBITDA (operating profit) of INR 409.51 Lakhs and net profit after tax of INR 311.12 Lakhs. In the Fiscal 2024, Fiscal 2023 and Fiscal 2022, we generated total income of ₹ 4,742.42 Lakhs, ₹ 4,227.76 Lakhs and ₹ 1,710.39 Lakhs respectively, EBITDA (operating profit) of ₹ 741.49 Lakhs, ₹ 300.36 Lakhs and ₹ 100.53 Lakhs respectively and net profit after tax of ₹ 551.95 lakhs, ₹ 194.82 Lakhs and ₹ 65.82 Lakhs respectively. We have reported Return on Net Worth of 17.35%, 69.28%, 79.58% and 131.68% for the six months period ended on 30th September 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 respectively.

Revenue from operations grew from ₹1,709.74 Lakhs in FY 2021-22 to ₹4,741.27 Lakhs in FY 2023-24, marking an increase of ₹3,031.53 Lakhs (177.31% for the said period). Correspondingly, Profit After Tax (PAT) surged from ₹65.82 Lakhs to ₹551.95 Lakhs, as per the restated financial statements. This growth was primarily driven by higher revenue from operations. Additionally, the company implemented cost-reduction measures. These factors are discussed in detail in this chapter.

MAIN COMPONENTS OF PROFIT AND LOSS ACCOUNT

Total Income

Our total income comprises of Revenue from Operations and Other Income.

Revenue from Operations

Our operational revenue is derived from sale of our products viz. Industrial Products, House Keeping Products and Drugs & Cosmetic Products.

Other Income

Our other income comprises of Interest on Fixed deposit, Interest from parties on delayed payment, Discount Received, Duty Drawback.

Expenditure

Our total expenditure primarily consists of Cost of Materials Consumed, Change in Inventories, Employee Benefit Expenses, Other Expenses, Depreciation & Amortisation Expenses and Financial Charges.

Cost of Materials Consumed

Cost of Materials consumed refers to the acquisition of raw materials that is acquired for the purpose of manufacturing in the ordinary course of business.

Change in Inventories

“Change in Inventories” refers to the difference between the opening and closing balances of inventory within a specific period.

Employee Benefit Expenses

Employee benefit expenses comprise of Directors Remuneration, Salaries, Wages & Bonus, PF Contributions, Staff Welfare and Medical Expenses towards staff accident policy.

Other Expenses

Other expenses comprise of Direct Manufacturing Expenses like Freight, Clearing & Forwarding, Consumables, Factory Expenses, Labour Expenses, Drainage Charges Electricity charges, Waste Water cleaning and Water charges; and indirect expenses like Advertisement Expense, Audit Fee, Bad Debts, Business Promotion Expenses, Consultancy Fees, Consumables & Spares, Commission Expenses, Computer & Internet Expenses, Conveyance, Discount, Donation, Exchange Rate Fluctuation, Exhibition Expenses, Food Expenses, Insurance, Laboratory Expense, Office Expense, Printing & Stationary, Professional Taxes and Fees, Rent Rates and Taxes, Repairs and Maintenance, Security expense, Software Expenses, Telephone Expense, Tender Fees, Testing Charges, Transport and Travelling and other miscellaneous expenses.

Depreciation and Amortization Expenses

Depreciation Expenses comprises of depreciation on the Tangible assets of our company.

Financial Charges

Financial Charges comprises of Interest on Secured Loan and Loan Processing charges.

Provision for Taxation

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2024

Total Income

The total income during the period (April 01, 2024 to September 30, 2024) was ₹ 2,962.39 Lakhs and includes Revenue from Operations and Other Incomes.

Revenue from Operations

The revenue from operation during the period (April 01, 2024 to September 30, 2024) was ₹ 2,962.39 Lakhs which is 100.00% of total revenue and is derived from sale of our products viz. Industrial Products, House Keeping Products and Drugs & Cosmetic Products.

Other Income

Other income during the period (April 01, 2024 to September 30, 2024) was nil.

Expenditure

The total expenses during the period (April 01, 2024 to September 30, 2024) were ₹ 2,552.88 Lakhs which is almost 86.18% of total revenue. The total expenses consist of Cost of Materials Consumed, Change in Inventories, Employee Benefit Expenses, Other Expenses, Depreciation Expenses and Financial Charges.

Cost of Materials Consumed

Cost of Material consumed during the period (April 01, 2024 to September 30, 2024) were ₹ 1,819.18 Lakhs which is almost 61.41% of total revenue and refers to the acquisition of raw materials that is acquired for the purpose of manufacturing in the ordinary course of business.

Change in Inventories

"Change in Inventories" during the period (April 01, 2024 to September 30, 2024) were ₹ (81.57) Lakhs which is almost (2.75) % of total revenue and refers to the difference between the opening and closing balances of inventory of raw materials and finished goods within this specific period.

Employee Benefit Expenses

Employee benefit expenses during the period (April 01, 2024 to September 30, 2024) were ₹ 266.34 Lakhs which is almost 8.99% of total revenue and comprise of Directors Remuneration, Salaries, Wages & Bonus, PF Contributions, Staff Welfare and Medical Expenses and staff accident policy.

Other Expenses

Other expenses during the period (April 01, 2024 to September 30, 2024) were ₹ 548.93 Lakhs which is almost 18.53% of total revenue and comprise of Direct Manufacturing Expenses like Freight, Clearing & Forwarding, Consumables, Factory Expenses, Labour Expenses, Drainage Charges Electricity charges, Waste Water cleaning and Water charges; and indirect expenses like Advertisement Expense, Audit Fee, Bad Debts, Business Promotion Expenses, Consultancy Fees, Consumables & Spares, Commission Expenses, Computer & Internet Expenses, Conveyance, Discount, Donation, Exchange Rate Fluctuation, Exhibition Expenses, Food Expenses, Insurance, Laboratory Expense, Office Expense, Printing & Stationary, Professional Taxes and Fees, Rent Rates and Taxes, Repairs and Maintenance, Security expense, Software Expenses, Telephone Expense, Tender Fees, Testing Charges, Transport and Travelling and other miscellaneous expenses.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses during the period (April 01, 2024 to September 30, 2024) was ₹ 16.52 Lakhs which is almost 0.56% of total revenue and comprises of depreciation on the Tangible assets of our company.

Financial Charges

Financial Charges during the period (April 01, 2024 to September 30, 2024) was ₹ 17.42 Lakhs which is almost 0.59% of total revenue and comprises of Interest on Secured Loan and Loan Processing charges.

Provision for Taxation

The provision for taxation (both current tax and deferred tax) during the period (April 01, 2024 to September 30, 2024) was ₹ 64.45 Lakhs which is almost 2.18% of total revenue. The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2024 WITH FISCAL 2023

Total Revenue:

The total revenue, comprising both revenue from operations and other income, has risen to ₹4742.42 lakhs in FY 2023-24, up from ₹4,227.76 lakhs in FY 2022-23. This represents an increase of ₹514.66 lakhs, or 12.18% for the said period, mainly driven by a growth in revenue from operations during the fiscal year.

Revenue from Operations: The revenue from operations has increased to ₹4,741.27 lakhs (99.98% of the Total revenue) in FY 2023-24 from ₹ 4,226.34 lakhs (99.97% of the Total revenue) in FY 2022-23 i.e. revenue from operation increased by ₹ 514.93 lakhs (12.18% for the said period). During this period, all the major business operations were transitioned in the name of the Company along with the acquisition of new orders from clients.

Other Income: The other income of the company for FY 2023-24 decreased to ₹ 1.15 Lakhs as against ₹ 1.42 Lakhs in the FY 2022-23 i.e. Other Income decreased by ₹ 0.27 Lakhs (19.01% for the said period). This decrease was mainly due to decrease in discounts received and duty drawback.

Total Expenses

The total expenses (excluding Depreciation & Amortization Expenses, Financial Charges and provision for tax) for the FY 2023-24 were increased to ₹ 3,999.78 Lakhs (84.34% of total revenue) as against ₹ 3,925.98 Lakhs (92.86% of total revenue) in the FY 2022-23 i.e., total expenses increased by ₹ 73.80 lakhs (1.88% for the said period). This increase in total expenses was primarily due to increase in Employee Benefit Expenses and Other Expenses. Additionally, reduction in cost of Material Consumed and changes in inventories contributed to the overall reduction in total expenses during the year.

Cost of Materials Consumed: The cost of material consumed decreased to ₹2,537.03 lakhs (53.50% of total revenue) in FY 2023-24, compared to ₹2,823.42 lakhs (66.78% of total revenue) in FY 2022-23, reflecting a decrease of ₹286.39 lakhs (10.14% for the period). The cost of certain essential raw materials decreased during the period, leading to a reduction in the overall purchase cost.

Change in Inventories: The change in Inventories have changed to ₹ (124.46) lakhs (-2.62% of total revenue) in FY 2023-24 from ₹ (98.87) lakhs (-2.34% of total revenue) in FY 2022-23 i.e. the above expenses changed by ₹ (25.59) lakhs. This increase was primarily due to higher stock levels. The change in finished stock has risen due to an extended sales cycle, aimed at addressing sales demand increasing the overall closing stock.

Employee Benefit Expenses: The Employee Benefit Expenses for the FY 2023-24 was increased to ₹ 531.73 Lakhs (11.21% of the total revenue) as against ₹ 334.51 Lakhs (7.91% of the total revenue) in the FY 2022-23 i.e., employee benefit expenses increased by ₹ 197.22 lakhs (58.96% for the said period). This was mainly due to increase in overall Salaries paid and increase in number of employees during the fiscal year.

Other Expenses: The Other Expenses for the FY 2023-24 increased to ₹ 1,055.48 Lakhs (22.26% of the total revenue) as against ₹ 866.92 (20.51% of the total revenue) Lakhs in the FY 2022-23 i.e., other expenses increased by ₹ 188.56 lakhs (21.75% for the said period). This increase was mainly attributed to higher labour charges, business promotion expenses, and transport and freight costs, Travelling Expenses, Office Expenses, Professional Fees; all resulting from the business expansion and growth in revenue.

Depreciation and Amortisation Expenses: The Depreciation and Amortisation expenses for FY 2023-24 increased to ₹30.59 Lakhs as against ₹ 26.79 Lakhs in the FY 2022-23 i.e., depreciation increased by ₹3.80 lakhs (14.18% for the said period). This rise was primarily due to the capital expenditure incurred during the fiscal year.

Financial Charges: The Financial Charges for the FY 2023-24 increased to ₹ 34.83 Lakhs as against 33.12 in the FY 2022-23 i.e., financial charges increased by ₹1.71 lakhs (5.16% for the said period). This increase was mainly due to increase in interest on overdraft as per their utilization.

Profit/ (Loss) Before Tax: The restated Profit before Tax for FY 2023-24 was increased to ₹ 677.22 Lakhs (14.28 % of total income) as against ₹ 241.87 Lakhs (5.72% of total income) in the FY 2022-23 i.e., profit before tax increased by ₹ 435.35 Lakhs. While the company saw a substantial rise in sales revenue, key expense categories, including fixed costs, semi-variable costs, finance costs, depreciation, and other expenses, did not increase at the same pace. The company achieved cost-effectiveness through a reduction in material costs, thereby enhancing overall cost efficiency. By strategically optimizing pricing and balancing sales volumes, the company reached a significant financial milestone in FY 2023-24.

Total Tax Expenses: The total tax expense for FY 2023-24 increased to ₹ 125.27 Lakhs as against ₹ 47.05 Lakhs in the FY 2022-23. This increase was mainly due to increase in Profit before Tax as mentioned above.

Profit/ (Loss) After Tax: The restated Profit after Tax for FY 2023-24 increased to ₹ 551.95 Lakhs (11.64% of the total income) as against ₹ 194.82 Lakhs (4.61% of the total income) in the FY 2022-23. This increase was mainly due to increase in Profit before Tax as explained above.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2023 WITH FISCAL 2022

Total Revenue:

The total revenue, comprising both revenue from operations and other income, has risen to ₹ 4,227.76 lakhs in FY 2022-23, up from ₹1,710.39 lakhs in FY 2021-22. This represents an increase of ₹2,517.37 lakhs, for the said period, mainly driven by a growth in revenue from operations during the fiscal year.

Revenue from Operations: The revenue from operations has increased to ₹ 4,226.34 lakhs (99.97% of the Total revenue) in FY 2022-23 from ₹ 1709.74 lakhs (99.96% of the Total revenue) in FY 2022-23 i.e. revenue from operation increased by ₹ 2,516.60 lakhs. The reason for this increase was the transition of major thrust of business operations from the Proprietary Concern Satol Chemicals Unit II (Proprietor Mr.Bhavesh Thakarshibhai Parsana) to the Company.

Other Income: The other income of the company for FY 2022-23 increased to ₹ 1.42 Lakhs as against ₹ 0.65 Lakhs in the FY 2021-22 i.e. Other Income increased by ₹ 0.77 Lakhs. This increase was mainly due to increase in income from interest on fixed deposit, discounts received.

Total Expenses

The total expenses (excluding Depreciation & Amortization Expenses, Financial Charges and provision for tax) for the FY 2022-23 increased to ₹ 3,925.98 Lakhs (92.86% of total revenue) as against ₹ 1,609.21 Lakhs (94.08% of total revenue) in the FY 2021-22 i.e., total expenses increased by ₹ 2,316.77 lakhs. This rise in total expenses was primarily driven by a significant increase in cost of materials consumed, employee benefits and other expenses which were a result of the overall growth in the company's operations.

Cost of Material Consumed: Cost of Materials Consumed increased to ₹2,823.42 lakhs (66.78% of total revenue) in FY 2022-23, compared to ₹1,408.60 lakhs (82.36% of total revenue) in FY 2021-22, reflecting an increase of ₹1,414.82 lakhs. This rise was primarily due to higher purchases of raw materials made during the fiscal year due to increase in level of operations of the company.

Change in Inventories: The change in Inventories have changed to ₹ (98.87) lakhs (-2.34% of total revenue) in FY 2022-23 from ₹ (44.10) lakhs (-2.58% of total revenue) in FY 2021-22 i.e. the above expenses changed by ₹ (54.77) lakhs. This increase was primarily due to higher purchases made during the fiscal year, which resulted in higher stock levels.

Employee Benefit Expenses: The Employee Benefit Expenses for the FY 2022-23 increased to ₹ 334.51 (7.91% of the total revenue) Lakhs as against ₹ 83.13 Lakhs (4.86% of the total revenue) in the FY 2021-22 i.e., employee benefit expenses increased by ₹ 251.38 lakhs. This was mainly due to increase in employees and overall Salaries paid during the fiscal year.

Other Expenses: The Other Expenses for the FY 2022-23 increased to ₹ 866.92 Lakhs (20.51% of the total revenue) as against ₹ 161.58 (9.45% of the total revenue) Lakhs in the FY 2021-22 i.e., other expenses increased by ₹ 705.34 lakhs. The other expenses were increased due to overall increase in revenue from operations as mentioned above.

Depreciation and Amortisation Expenses: The Depreciation and Amortisation expenses for FY 2022-23 increased to ₹26.79 Lakhs as against ₹ 14.23 Lakhs in the FY 2022-23 i.e., depreciation increased by ₹12.56 lakhs. This rise was primarily due to the capital expenditure incurred during the fiscal year.

Financial Charges: The Financial Charges for the FY 2022-23 was 33.12 as against ₹ 10.39 Lakhs in the FY 2021-22 i.e., financial charges increased by ₹ 22.73 lakhs. This increase was mainly due to increase in interest on secured loan as per their utilization and Loan processing charges.

Profit/ (Loss) Before Tax: The restated Profit before Tax for FY 2022-23 was increased to ₹ 241.87 Lakhs (5.72% of total income) as against ₹ 76.56 Lakhs (4.48% of total income) in the FY 2021-22 i.e., profit before tax increased by ₹ 165.31 Lakhs. The increase in Profit Before Tax (PBT) was primarily driven by a combination of factors, including a significant rise in revenue as well as improved operational efficiencies. While higher sales contributed to the overall growth, the key factor behind the PBT increase was the company's ability to manage costs effectively.

Total Tax Expenses: The total tax expense for FY 2022-23 increased to ₹ 47.05 Lakhs as against ₹ 10.74 Lakhs in the FY 2021-22. This increase was mainly due to increase in Profit before Tax as mentioned above.

Profit/ (Loss) After Tax: The restated Profit after Tax for FY 2022-23 increased to ₹ 194.82 Lakhs (4.61% of the total income) as against ₹ 65.82 Lakhs (3.85% of the total income) in the FY 2021-22. This increase was mainly due to increase in Profit before Tax as explained above.

AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN HEREUNDER:

1. *Unusual or infrequent events or transactions*

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. *Significant economic changes that materially affected or are likely to affect income from continuing operations.*

There are no significant economic changes that may materially affect or likely to affect income from continuing operations. However, Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

3. *Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.*

Apart from the risks as disclosed under Section "**Risk Factors**" beginning on page 22 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. *Expected Future changes in relationship between costs and revenues*

Our Company's future costs and revenues will be determined by demand/supply situation, inflation, Government Policies and Taxation and Currency fluctuations.

- 5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices**
Changes in revenue in the last financial years are as explained in the part “Comparison of the Financial Performance” of above.
- 6. Total turnover of each major industry segment in which our Company operates**
The Company is mainly engaged in manufacturing of Speciality Chemicals. Therefore, there are no separate reportable segments.
- 7. Status of any publicly announced New Products or Business Segment**
Our Company has not announced any new product other than disclosed in this Draft Prospectus.
- 8. Seasonality of business**
Our business is not seasonal in nature.
- 9. Competitive conditions**
Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on page 90 and 111 respectively of the Draft Prospectus.
- 10. Details of material developments after the date of last balance sheet i.e. September 30, 2024**
Except as mentioned in this Draft Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months.

SECTION X: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no pending (i) criminal proceedings; (ii) actions taken by statutory and/or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last 5 (five) FYs including outstanding action; (iv) outstanding claims related to direct or indirect taxes; or (v) other pending litigation as determined to be material by our Board as per the materiality policy adopted by our Board ("Materiality Policy") in each case involving our Company, Promoters, Directors and the Group Companies ("Relevant Parties").

For the purpose of material litigation in (v) above, our Board in its meeting held on January 13, 2025 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("Materiality Policy"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than (i), (ii), (iii) and (iv) mentioned above, will be considered material if the aggregate amount involved exceeds 10% of the Profit After Tax as per the latest Restated Financial Statements.

It is clarified that pre-litigation notices received by the Relevant Parties (excluding those notices issued by statutory/regulatory/tax authorities), unless otherwise decided by the Board, shall not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in the litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In accordance with the Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding 5% of the total trade payables as on the date of the latest Restated Financial Statements included in this Draft Prospectus, shall be considered as 'material'. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("MSME"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Our Company does not have any subsidiaries.

Unless stated to the contrary, the information provided below is as of the date of this Draft Prospectus.

I. PENDING LITIGATION INVOLVING OUR COMPANY

(a) Criminal proceedings against the Company

Except as mentioned below, there are no outstanding criminal proceedings initiated by the Company.

| | |
|------------------------|---|
| 1. | |
| Case No | CC/4302005/SS/2023 |
| Complainant | Satol Chemicals Private Limited Through Ganesh M Shanmugam Marimuthu |
| Accused | Aaranika Chem Solution and 1 other |
| Court/Authority | Additional Metropolitan Magistrate, Borivali, Mumbai (Borivali MM Court) |
| Case Details | The Complainant, sought redress for the dishonor of a cheque issued by the Accused, a proprietorship firm represented by its proprietor, who is also the signatory of the cheque. The Complainant supplied goods amounting to Rs.2,08,371/- to the Accused, of which Rs.1,74,806/- remains outstanding despite repeated requests for payment. The Accused issued a cheque for the said amount on 02/06/2023; however, it was returned unpaid with the remark "Payment Stopped by Drawer." Following this, the Complainant sent legal notices demanding payment, which were refused by the Accused. The Complainant alleges that the Accused has committed an offense under Section 138 of the Negotiable Instruments Act, 1881, due to failure to honor the cheque and non-compliance with statutory notices. |
| Case Status | Pending |
| Amount Involved | Rs.1,74,806/- |
| Next Date | 3 rd May, 2025 |
| Case Stage | Not Heard Cases |

| | |
|------------------------|--|
| 2. | |
| Case No | CC/4301639/SS/2022 |
| Complainant | Satol Chemicals Private Limited |
| Accused | 1.Kavin Traders, 2. Gurpreet Singh |
| Court/Authority | Additional Metropolitan Magistrate, Borivali, Mumbai (Borivali MM Court) |
| Case Details | The complainant, has initiated legal proceedings against the accused, a proprietorship firm and its proprietor, for the dishonor of a cheque amounting to Rs.5,87,779/- issued in discharge of a legal liability arising from goods supplied amounting to Rs.6,31,190/-. The accused placed multiple orders for housekeeping materials between October 2021 and June 2022, which were duly delivered and acknowledged. Despite partial payments, the remaining balance was not settled, leading to the issuance of a cheque that was subsequently returned unpaid with the remark "Payment Stopped by Drawer." Following the dishonor, a legal notice dated 31/10/2022 was sent demanding payment, which was refused by the accused. The complainant asserts that the actions of the accused constitute an offense under Section 138 of the Negotiable Instruments Act, 1881, due to intentional non-payment and malafide intentions to evade financial obligations. The complainant sought redress from the Hon'ble Court to enforce payment and hold the accused accountable under applicable law. |
| Case Status | Pending |
| Amount Involved | Rs.5,87,779/- |
| Next Date | 5 th May, 2025 |
| Case Stage | Not Heard Cases |

| | |
|------------------------|---|
| 3. | |
| Case No | CC/4300009/SS/2024 |
| Complainant | Satol Chemiscals Private Limited Through Mrs. Suvidha Sharma |
| Accused | Shree Ram Enterprises And 1 Other |
| Court/Authority | Additional Metropolitan Magistrate, Borivali, Mumbai (Borivali Mm Court) |
| Case Details | The Complainant, as the authorized representative of the complainant company, asserts a claim against Mr. Subham Pasayat, the proprietor of a firm, for dishonor of a cheque under section 138 read with Section 142 of The Negotiable Instruments Act, 1881. The Cheque, for an amount of Rs.30,000/- was issued as partial payment towards an outstanding liability of Rs.3,06,326/- for goods supplied by the complainant company to the accused's firm. The cheque was presented and subsequently returned unpaid due to insufficient funds, prompting the issuance of a legal notice on November 16, 2023, which was duly served but went unanswered. The Complainant contends that the accused had a legal obligation to honor the cheque and failed to do so despite repeated reminders, thereby committing an offense under the aforementioned provisions of law. The Complainant sought issuance of process against the accused, imposition of penalties including imprisonment and fines, as well as compensation for losses incurred due to the dishonored cheque. |
| Case Status | Pending |
| Amount Involved | Rs.3,06,326/- |
| Next Date | 01 st February 2025 |
| Case Stage | For Verification |

(b) Criminal proceedings filed by the Company

There are no outstanding criminal proceedings initiated by the Company.

(c) Actions by statutory and regulatory authorities against the Company

There are no outstanding actions by statutory or regulatory authorities initiated against the Company.

(d) Tax Proceedings:

(i) Direct Tax: - Nil

(ii) Indirect Tax – Nil

(e) Other pending material litigations against the Company

There are no outstanding litigations against the company, which have been considered Material by the Company in accordance with the Materiality Policy.

(f) Other pending material litigations filed by the Company

There are no outstanding litigations initiated by the company, which have been considered Material by the Company in accordance with the Materiality Policy.

II. PENDING LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS OF THE COMPANY**(a) Criminal proceedings against the Promoters & Directors of the company**

There are no outstanding criminal proceedings against the Promoters & Directors of the Company.

(b) Criminal proceedings filed by the Promoters & Directors of the company

There are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

(c) Actions by statutory and regulatory authorities against the Promoters & Directors of the company

There are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

(d) Tax Proceedings:

There are no outstanding Tax Proceedings against the Promoters & Directors of the company.

Proceedings against the Promoters & Directors.**(i) Direct tax –*****Bhavesh Thakarshibhai Parsana***

| A.Y. | Section Code | Date of Demand | Amount | Particular |
|---------|--------------|----------------|-------------|---|
| 2015-16 | 271(1)(c) | 08-Dec-2021 | 1,04,92,172 | The appellant contends that the imposition of a penalty of ₹35,13,980 by the Assessing Officer (AO) is unjustified, arguing that there were no inaccurate particulars of income provided. The penalty arises from a difference of opinion rather than wilful misconduct, as the AO did not demonstrate any intent to evade taxes or question the bona fide nature of the appellant's actions. Furthermore, the AO incorrectly stated the penalty amount as ₹1,04,92,172 in the notice of demand instead of the correct figure. The appellant asserts that since the tax effect from the addition made under section 143(3) was only ₹6,45,715, the penalty should not exceed this amount. Aggrieved by the same the appellant filed an appeal before the Joint Commissioner Appeals on 8 th March, 2022. The matter is pending. |
| 2015-16 | 154 | 23-Jan-2018 | 98,810 | An Appeal has been preferred against the Demand before the CIT (Appeals). The principle amount has been paid. However, the interest is due. |
| 2015-16 | 254 | 13-Sep-2021 | 4,27,695 | No Appeal has been preferred against the Demand. The matter is pending. |

| A.Y. | Section Code | Date of Demand | Amount | Particular |
|---------|--------------|----------------|--------------------|---|
| 2020-21 | 143(1)(a) | 15-Dec-2021 | 11,51,830 | The assessee contends that the addition of ₹1,500,728 made by the Assessing Officer for late deposit of employees' contributions to ESI and PF under Section 36(1) (a) is erroneous. They argue that since the contributions were deposited before the due date for filing the income tax return, these expenses should be considered allowable deductions. The assessee references the Supreme Court's ruling in Pr. CIT vs. Rajasthan State Beverages Corporation Ltd. and the Himachal Pradesh High Court's decision in CIT vs. Nipso Polyfabriks Ltd., which support the position that contributions paid after the statutory due date but before the income tax return due date are deductible. Thus, the assessee requests that these expenses be recognized as allowable based on binding legal precedents. Aggrieved by the same the appellant filed an appeal before the Joint Commissioner Appeals on 10 th December, 2022. The matter is pending. |
| | | Total | 1,21,70,507 | |

Ravikumar Shriram Malkhede

| A.Y. | Section Code | Date of Demand | Amount | Particular |
|---------|--------------|----------------|------------------|---|
| 2015-16 | 271(1)(b) | 11-Jun-2024 | 3,410 | No Appeal has been preferred against the Demand. The Matter is Pending |
| 2015-16 | 147 | 15-Feb-2024 | 54,64,390 | No Appeal has been preferred against the Demand. The Matter is Pending |
| 2015-16 | 271(F) | 07-Jun-2024 | 5,000 | No Appeal has been preferred against the Demand. The Matter is Pending |
| 2015-16 | 271(1)(c) | 15-Jul-2024 | 16,68,343 | No Appeal has been preferred against the Demand. The Matter is Pending |
| | | TOTAL | 71,41,143 | |

(ii) Indirect Tax – NIL

(e) Other pending material litigations against the Promoters & Directors of the company

There are no outstanding litigations initiated against the Directors, which have been considered material by the Company in accordance with the Materiality Policy.

(f) Other pending material litigations filed by the Promoters & Directors of the company

There are no outstanding litigations initiated by the Directors, which have been considered Material by the Company in accordance with the Materiality Policy

III. PENDING LITIGATION INVOLVING OUR GROUP COMPANIES OF THE COMPANY

The company has no group companies

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors outstanding amount as on September 30, 2024:

| Name | No. of Creditors | Balance as on September 30, 2024 (₹ in lakhs) |
|--|------------------|--|
| Total Outstanding dues to Micro and Small & Medium Enterprises (MSME)* | 95 | 508.78 |
| Total Outstanding dues to Creditors other than MSME# | 82 | 356.77 |

* The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the company regarding the status of supplier under the Micro, Small and Medium Enterprises Development Act, 2006 and as per restated financial statements”

Material Developments occurring after Last Balance Sheet Date

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 214 of this draft prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. 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 above 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.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

I. Approvals for the Issue

- a) 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 September 27, 2024 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Annual General Meeting held on September 30, 2024 authorized the Issue.
- c) Our Company has received an in-principle approval from the BSE Limited dated [●] for listing of Equity Shares issued pursuant to the Issue.
- d) Our Company's ISIN is "INE10ZP01013".

II. Approvals pertaining to Incorporation of our Company

| Name of Registration | Registration No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|--|-----------------------|---------------------|---|------------------|----------------|
| Certificate of Incorporation of "Satol Chemicals Private Limited" | U24290MH2020PTC348489 | Companies Act, 2013 | Registrar of Companies, Central Registration Centre | October 23, 2020 | Till Cancelled |
| Certificate of Incorporation consequent upon conversion from Private Limited to Public Company from "Satol Chemicals Private Limited" to "Satol Chemicals Limited" | U24290MH2020PLC348489 | Companies Act, 2013 | Registrar of Companies, Central Registration Centre | July 01, 2024 | Till Cancelled |

III. Business and Operations Related Approvals

| Name of Registration | Registration/ License No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|---------------------------------------|--------------------------|---|---|-------------------|----------------|
| Udyam Registration Certificate | UDYAM-GJ-25-0030752 | Micro, Small and Medium Enterprises Development Act, 2006 | Government of India Ministry of Micro, Small and Medium Enterprises | December 22, 2022 | Till Cancelled |
| Certificate of Importer-Exporter Code | ABECS7337J | Foreign Trade (Development and Regulation) Act, 1992 | Directorate General of Foreign Trade, Government of India | March 11, 2021 | Till Cancelled |

| Name of Registration | Registration/ License No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|---|-----------------------------------|--|--|--------------------|-------------------|
| Employees Provident Fund Registration | KDMAL2221360000 | The Employees Provident Fund Act, 1952 | Employees Provident Fund Organization Government of India | October 23, 2020 | Till Cancelled |
| Employees State Insurance Registration | 350005041700 00300 | The Employees State Insurance Act, 1948 | Employees State Insurance Corporation, Government of India | October 23, 2020 | Till Cancelled |
| License to Work a Factory | 4467/20239/2021 | The Factories Act, 1948 | Deputy Director, Industrial Safety and Health, Valsad, Gujarat | June 15, 2021 | December 31, 2032 |
| Consent to establish (NOC) | GPCB/CCA-SRG-697/ID:23048/589926 | Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; Environment (Protection) Rules, 1986 | Deputy Chief Environment Engineer, Gujarat Pollution Control Board | May 11, 2021 | March 14, 2028 |
| Consolidated Consents and Authorisation | GPCB/RO/SAR/ID-23048/1310/2021 | Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; Environment (Protection) Rules, 1986 | Regional Officer, Gujarat Pollution Control Board | August 11, 2021 | June 20, 2026 |
| Licence to manufacture for sale (or for distribution) of drugs other than those specified in Schedule C,C(1) and X to the Drugs & Cosmetics Rules, 1945 | G/25/2506 | Drugs and Cosmetics Act, 1940 | Commissioner, Food & Drugs Control Administration, Gujarat | August 09, 2024 | August 08, 2026 |
| Shops and Establishment License | 820357674 / RC Ward/COMMERCIAL II | Maharashtra shop and Establishments (Regulations of Employment and conditions of Service) Act ,2017 | Brihanmumbai Municipal Corporation | September 14, 2024 | Till Cancelled |

IV. Tax Related Approvals



| Name of Registration | Registration/ License No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|------------------------------------|--------------------------|---|-----------------------------------|--------------------|----------------|
| Permanent Account Number [PAN] | ABECS7337J | Income Tax Act, 1961 | Income Tax Department | November, 20, 2020 | Till cancelled |
| Tax Deduction Account Number [TAN] | MUMS15042N | Income Tax Act, 1961 | Income Tax Department | October, 23, 2020 | Till Cancelled |
| Goods and Service Tax | 24ABECS7337J1 Z3 | Goods and Services Act, 2017 | Goods and Services Tax Department | November, 24, 2020 | Till Cancelled |
| Professional Tax of Certificate | PR2505000563 | Gujarat State Tax on Profession, Trade, Calling and | Directorate of Commercial Taxes, | March 31, 2023 | Till Cancelled |

| Name of Registration | Registration/ License No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|--|--------------------------|--|------------------------------|------------------|----------------|
| Registration (RC) – Factory, Gujarat | | Employments Act, 1976 | Government of Gujarat | | |
| Professional Tax Certificate of Registration (RC) – Mumbai | 27551806901P | Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | DS Government of Maharashtra | October 23, 2020 | Till Cancelled |

V. Quality Related Approvals

| Name of Registration | Registration/ License No | Applicable Law | Issuing Authority | Date of Issue | Validity |
|--|--------------------------|--|---|-----------------|-----------------|
| Certificate of Registration of ISO 9001:2015 for Research and Development, Manufacture and Supply of Sanitizer, Speciality Cleaning Chemicals | 22ZIZK9803Q | Quality Management System | International Quality Certification Services UK Limited | May 06, 2022 | May 05, 2025 |
| Certificate of Registration of ISO 45001:2018 for Research and Development, Manufacture and Supply of Sanitizer, Speciality Cleaning Chemicals | 22ZIEA9937O | Occupational Health & Safety Management System | International Quality Certification Services UK Limited | May 31, 2022 | May 30, 2025 |
| Quality Certification for Research and Development, Manufacture and Supply of Sanitizer, Speciality Cleaning Chemicals | 22ZIAG98062HL | Halal | International Quality Certification Services UK Limited | May 14, 2024 | May 13, 2025 |
| BQC Green Building Certificate for the scope of: Research and Development, Manufacture and Supply of Sanitizer, Speciality Cleaning Chemicals | BQC/IN/EN22G69 | Bureau of Quality Certification | Bureau of Quality Certification UK Limited | May 14, 2024 | May 13, 2025 |
| EPA Compliance Certificate | EPA/22M01083 | Environment Protection System | MQA Certification Services, India | August 03, 2022 | August 02, 2025 |
| Certificate of Registration of ISO 22000:2018 for Research and Development, Manufacture and Supply of Sanitizer, Speciality Cleaning Chemicals | 22ZIZK9807F | Food Safety Management System | International Quality Certification Services UK Limited | May 06, 2022 | May 05, 2025 |
| Certificate of Good Manufacturing Practice | 22ZIZK9804G | Management System | International Quality Certification Services UK Limited | May 06, 2022 | May 05, 2025 |

VI. Intellectual Property Related Approvals

| Trademark | Registration No/ Application No | Class of Registration | Trademark Type | Date of Issue/ Application | Valid Upto |
|--|------------------------------------|--------------------------|-------------------|-------------------------------|---------------------|
|  | 6015380 | 3 | Device | July 11, 2023 | July 11, 2033 |
| SATIC - 50 | 5849167 | 1 | Device | March 15, 2023 | March 15, 2033 |
| SATIC - 50 | 5849168 | 3 | Device | March 15, 2023 | March 15, 2033 |
| STENZA | 2549173* | 1 | Word | June 15, 2013 | June 15, 2033 |
|  | 1245205** | 1 | Device | October 22, 2003 | October 22, 2033 |

* The trade mark was originally registered in the name of Satol Chemicals, a proprietorship concern, Mr. Bhavesh T Parsana being the proprietor. Vide Assignment deed dated 16th May, 2024; the said trade mark was transferred to our Company.

** The trade mark was originally registered in the name of Satol Chemicals, a partnership firm, Mr. Bhavesh T Parsana and Mr. Mahesh T Parsana being the partners. Vide Assignment deed dated 16th May, 2024; the said trade mark was transferred to our Company.

VII. Material Licenses/ Approvals/Permission for which applications have been made by our Company but not received and/or yet to be applied by our Company

- Our Company is in the process of updating the change of name from 'Satol Chemicals Private Limited' to 'Satol Chemicals Limited' in certain licenses.

VIII. Material Licenses/ Approvals/Permission which are required but not yet applied for by our Company

- Our Company has applied for obtaining Fire License vide Application No. 008FNR24250007 to Gandhinagar Municipal Corporation on November 12, 2024.

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

1. The Fresh Issue of Equity Shares in terms of this draft prospectus has been authorized by a resolution by the Board of Directors passed at their meeting held September 27, 2024 on under Section 62(1)(c) of the Companies Act 2013 and subject to the approval of the members and such other authorities as may be necessary.
2. The Fresh Issue of Equity Shares in terms of this draft prospectus has been authorized by the shareholders by special resolution at the Annual General Meeting held on September 30, 2024 under Section 62(1)(c) and other applicable provisions of the Companies Act 2013.
3. Our Company has received In-principle approval from BSE vide their letter dated [●] to use the name of BSE in this draft prospectus for listing of the Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.
4. Our Board has approved the draft Prospectus through its resolution dated January 24, 2025.

Confirmation:

- Our Company, our Promoters, Promoter Group, our directors, person(s) in control of the promoter or our Company have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors in the past 5 years except as disclosed in the draft prospectus.
- 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.

Eligibility for the Issue

- Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:
 - Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the SEBI.
 - Neither our promoters, nor any directors of our company are a promoter or director of any other company which is debarred from accessing the capital market by the SEBI.
 - Neither our Company, or our Promoter, or our directors, are Wilful Defaulters or a Fraudulent Borrowers.
 - Neither our Promoter nor any of our directors is a Fugitive Economic Offender.
- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital would be more than 10 crores, and can issue Equity Shares to the public and propose to list the same on the **SME Platform of BSE Limited**.

We further confirm that:

- i. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- ii. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) 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 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. 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.

- iii. In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Lead Manager and the SME Platform of BSE Limited.

Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus shall also be furnished to the SEBI in a soft copy.

- iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated July 06, 2024 with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE Limited.

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for SME Platform of BSE Limited, which are as under:

- ❖ ***Incorporation: The Company shall be incorporated under the Companies Act, 1956/2013.***

Our Company is incorporated under the Companies Act, 2013 in India.

- ❖ ***Post Issue Paid up Capital: The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.***

The post issue paid up capital (Face Value) of the company will be ₹ 15.36 crores. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹25 crores.

- ❖ ***Net worth of at least Rs. 1 crore for 2 preceding full financial years:***

As per restated financial statement, the net-worth of the company is ₹ 17.93 crores as on March 31, 2024 and ₹ 7.97 crores as on March 31, 2023. So, the company has fulfilled the criteria of having net-worth of at least ₹1.00 crores for 2 preceding full financial years. The details are as mentioned below:

₹ in lakhs

| Details | 31-03-2024 | 31-03-2023 |
|---|---------------|---------------|
| Paid-up share capital | 1.00 | 1.00 |
| All reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation | 795.76 | 243.80 |
| Total | 796.76 | 244.80 |

- ❖ ***Net Tangible Assets should be ₹ 3 crores in last preceding (full) financial year***

As per restated financial statement, the net tangible assets of the company is ₹ 7.97 crores as on March 31, 2024. So, the company has fulfilled the criteria of having net tangible assets of at least ₹ 3 crores in last preceding full financial years. The details are as mentioned below:

₹ in lakhs

| Details | 31-03-2024 |
|----------------------------|---------------|
| Net Assets | 796.76 |
| Less: Intangible Assets | - |
| Net Tangible Assets | 796.76 |

"net tangible assets" mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) or Indian Accounting Standard (Ind AS) 38, as applicable, issued by the Institute of Chartered Accountants of India;

- ❖ **Track Record:** The company or the partnership/proprietorship/LLP Firm or the firm which have been converted into the company should have combined track record of at least 3 years or In case it has not completed its operation for three years then the company/partnership/proprietorship/LLP should have been funded by Banks or financial institutions or Central or state government or the group company should be listed for at least two years either on the main board or SME board of the Exchange.

Our company was incorporated on October 23, 2020 and having track record of more than 3 years.

- ❖ **Earnings before Interest, Depreciation and Tax:** The company should have operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date.

The Issuer Company is having operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date. So, the company has fulfilled this criteria. The details are as mentioned below:

(₹ in Lakhs)

| Particulars | 31-03-2024 | 31-03-2023 | 31-03-2022 |
|----------------------------------|---------------|---------------|---------------|
| Net Profit as Restated | 551.95 | 194.82 | 65.82 |
| Add: Depreciation | 30.59 | 26.79 | 14.23 |
| Add: Finance Cost | 34.83 | 33.12 | 10.39 |
| Add: Income Tax | 125.27 | 47.05 | 10.74 |
| Less: Other Income | (1.15) | (1.42) | (0.65) |
| EBITDA (Operating Profit) | 741.49 | 300.36 | 100.53 |

- ❖ **Leverage ratio of the company is not more than 3:1.**

As per restated financials, the leverage ratio (Debt Equity ratio) of our company is not more than 3:1. The details are as mentioned below:

(Amount Rs. In Lakhs, except ratio)

| Particulars | 30-09-2024 |
|---|------------|
| Total Borrowings (Debt) | 326.48 |
| Total Net Worth (TNW) (Shareholders fund) | 1,792.84 |
| Debt Equity Ratio (Total Borrowing/TNW) | 0.18 |

- ❖ **Disciplinary action:** We hereby confirm that;

- There are 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.
- The Promoter(s) or directors are not the promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and there is no applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.
- Directors are not disqualified/ debarred by any of the Regulatory Authority.

- ❖ **Default:** 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.

- ❖ **Name Change:** In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name. or The activity suggesting name should have contributed to at least 50% of the revenue, calculated on a restated and consolidated basis, for the preceding one full financial year.

The company has not changed its name in last one year apart from change of status of company from Private to Public.

- ❖ **The composition of the board should be in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval**

The Company is in compliance with the requirements of the Companies Act, 2013, w.r.t. the composition of the Board of the Company at the time of seeking in-principle approval for Draft Prospectus and shall be in continuous compliance.

- ❖ **Other Requirements:** We further confirm that;

- 1) The Issuer Company has a live and operational website i.e., www.satol.net
- 2) 100% of the Promoter's shareholding in the company are dematerialized.
- 3) The Issuer Company has entered into an agreement with both depositories. The agreement with the Central Depository Services Limited (CDSL) dated August 08, 2024, and National Securities Depository Limited dated August 19, 2024, for establishing connectivity.
- 4) There has been no change in the promoter(s) of Issuer Company in the preceding one year from date of filing application to BSE for listing on BSE SME.
- 5) The Net worth computation has been calculated as per the definition given in SEBI (ICDR) Regulations.
- 6) The Company has not been referred to NCLT under IBC.
- 7) There is no winding up petition against the company, which has been admitted by the court.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- ❖ The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform. BSE is the Designated Stock Exchange.
- ❖ Our Company has entered into an agreement dated August 19, 2024 with NSDL and agreement dated August 08, 2024 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- ❖ The entire pre-Issue share capital of our Company are fully paid-up and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- ❖ The Equity Shares held by the Promoters are dematerialized.

As per Regulation 230 (2) of the SEBI ICDR Regulations, our Company has ensured that:

- ❖ The amount for general corporate purposes, as mentioned in objects of the issue in the Draft Prospectus does not exceed twenty-five per cent of the amount being raised by our Company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MANAGER 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, FINSHORE MANAGEMENT SERVICES LIMITED HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR) REGULATION 2018 WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER FILING THE PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI ICDR REGULATION, 2018.

THE FILING OF THIS ISSUE DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

THE DUE DILIGENCE CERTIFICATE TO BE SUBMITTED AS PER FORM A OF SCHEDULE V INCLUDING ADDITIONAL CONFIRMATION AS PROVIDED IN FORM G OF SCHEDULE V IS PRODUCED AS UNDER:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE-MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE 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 EXCHANGE/BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
 - B. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY THE BOARD, 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, 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.
5. WE CERTIFY THAT WRITTEN CONSENT FROM 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 PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD/EXCHANGE TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
6. WE CERTIFY THAT ALL APPLICABLE PROVISION 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 AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
7. WE UNDERTAKE THAT ALL APPLICABLE PROVISION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTERS CONTRIBUTION PRIOR TO OPENING OF THE ISSUE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD/EXCHANGE. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' 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 MONEYS 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 MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL 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 ALL THE SHARES SHALL BE ISSUED IN DEMATERIALIZED FORM IN COMPLIANCE WITH THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 AND THE DEPOSITORIES ACT, 1996, AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL-INFORMED DECISION.
12. 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.
13. 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.
14. WE ENCLOSE A NOTE EXPLAINING THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US INCLUDING IN RELATION TO THE BUSINESS OF THE ISSUER, THE RISK IN RELATION TO THE BUSINESS, EXPERIENCE OF THE PROMOTERS AND THAT THE RELATED PARTY TRANSACTION ENTERED INTO FOR THE PERIOD DISCLOSED IN THE DRAFT PROSPECTUS HAVE BEEN ENTERED INTO BY THE ISSUER IN ACCORDANCE WITH APPLICABLE LAWS.
15. 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 THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.

ADDITIONAL CONFIRMATIONS/CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME PLATFORM OF BSE.

- (1) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN 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 ISSUED 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.
- (3) WE CONFIRM THAT THE ABRIDGED DRAFT PROSPECTUS 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**.
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
- (5) 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 FILING OF THE OFFER DOCUMENT WITH THE REGISTRAR OF COMPANIES. - **NOT APPLICABLE**.
- (6) WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 261 AND 262 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 HAVE BEEN MADE-**NOTED FOR COMPLIANCE**.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than those contained in this draft prospectus or in the advertisements or any other material issued by or at our Company's instance and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

CAUTION

The LM accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the LM (Finshore Management Services Limited) and our Company on January 13, 2025 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company and the LM 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 LM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the 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 ₹ 2,500.00 Lakh and pension funds with a minimum corpus of ₹ 2,500.00 Lakh, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This 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 this 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) in **Mumbai, Maharashtra** 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 this draft prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this draft 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 LIMITED

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE).

BSE Limited ("BSE") has vide its letter dated [●] given permission to "Satol Chemicals Limited" to use its name in the offer document as the Stock Exchange on whose Small and Medium Enterprises platform ("SME platform") the company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this company. BSE does not in any manner: -

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer documents; or
- ii. warrant that this company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this company, its promoters, its management or any scheme or project of this company.
- iv. warrant, certify, or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the company and investors are informed to take the decision to invest in the equity shares of the company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the company is determined by the company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE 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 for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The company has chosen the SME platform on its own initiative and its own risk, and is responsible for complying with local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and courts exclusively situated in Mumbai.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be 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 Applicants 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.

LISTING

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE Limited. Our Company has obtained In-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE Limited.

BSE 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, our Company shall return through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchange rejecting the application for listing or trading without any interest.

If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every Director of the Company who is officer in default shall, on and from expiry of four (4) days, be jointly and severally liable to repay such application money, with interest at the rate of fifteen per cent per annum (15% p.a.).

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within Six (6) Working Days of the Issue Closing Date.

FILING

The Draft Prospectus is being filed with BSE Limited, at 20th Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400001, Maharashtra.

After getting in-principal approval from BSE, a copy of the prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for filing to the Registrar of Companies, Mumbai.

A copy of the prospectus shall be filed with SEBI immediately upon filing of the Offer document with Registrar of Companies in term of Regulation 246 of the SEBI (ICDR) Regulations, 2018. However, SEBI shall not issue any observation on the prospectus. Pursuant to SEBI 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>.

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 of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Sponsor Bank, 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 under Section 26 of the Companies Act, 2013 and shall be filed along with a copy of the draft 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 draft prospectus for filing with the RoC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations 2018, **M/s. Vijay Darji & Associates**, Chartered Accountants, Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on "Statement of Tax Benefits" relating to the possible tax benefits and restated financial statements as included in this 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 this draft prospectus for filling with Roc.

EXPERTS OPINION

Except for the reports in the Section, "**Statement of Possible Tax Benefits**" and "**Financial Statements as Restated**" on page no. 85 and page no. 178 of this draft prospectus from the Peer Review Auditors and Statutory Auditor respectively; our Company has not obtained any expert opinions. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

PARTICULARS REGARDING PUBLIC OR RIGHTS ISSUES DURING THE LAST FIVE (5) YEARS

Except as stated under Section titled "**Capital Structure**" beginning on page no. 58 of this draft prospectus our Company has not undertaken any previous public or rights issue. Further, we are an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time and the Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations, 2018, amended from time to time.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION ON PREVIOUS ISSUES IN LAST 5 YEARS

Since this is the initial public Issuing 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.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED GROUP-COMPANIES / SUBSIDIARIES/ ASSOCIATES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS:

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three year except as mentioned in this draft prospectus. This is the initial public Issuing of our Company's Equity Shares

PERFORMANCE VIS-A-VIS OBJECTS–PUBLIC/RIGHT ISSUE OF OUR COMPANY

Except as stated under Section titled "*Capital Structure*" beginning on page 58 of this draft prospectus our Company has not undertaken any previous public or rights issue.

PERFORMANCE VIS-A-VIS OBJECTS - LAST ISSUE OF LISTED SUBSIDIARIES/LISTED PROMOTERS

We don't have any listed company under the same management or any listed subsidiaries or any listed promoters as on date of this draft prospectus.

OUTSTANDING DEBENTURES OR BOND ISSUES OR REDEEMABLE PREFERENCE SHARES OR ANY OTHER CONVERTIBLE INSTRUMENTS ISSUED BY OUR COMPANY

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this 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 an initial 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 Company has appointed "**KFin Technologies Limited**" as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company.

The Agreement dated November 04, 2024 amongst the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters 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 center 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 center of the SCSBs where the Application Form was submitted by the ASBA Applicants in ASBA account or UPI ID linked bank account number in which the amount equivalent to the Bid Amount was blocked. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

The Applicant should give full details such as name of the sole/first Applicant, Application Form number, Applicant DP ID, Client ID, Bank Account No./UPI 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 investor 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 Mr. Nitin Vinayak Kore, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Nitin Vinayak Kore
Company Secretary & Compliance Officer
Satol Chemicals Limited
102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club,
Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India
Contact No: +91 7045991153
Email ID: cs@satol.net
Website: www.satol.net

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.

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this draft prospectus and hence there are no pending investor complaints as on the date of this draft prospectus.

DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY

We don't have any listed company under the same management or any listed subsidiaries or any listed promoters.

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

The Company has not sought for any exemptions from complying with any provisions of securities laws.

PRICE INFORMATION OF LAST 10 (TEN) ISSUED HANDLED BY THE LEAD MANAGER

Statement on Price Information of Last 10 (Ten) Issues handled by Finshore Management Services Limited:

| Sr. No. | Issuer Name | Issue Size (₹ in Cr.) | Issue Price (In ₹) | Listing Date | Opening price on listing date (In ₹) | +/- % change in closing price, [+/- % change in closing benchmark] 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing |
|---------|--|-----------------------|--------------------|--------------|--------------------------------------|--|--|---|
| 1 | Alphalogic Industries Limited (BSE SME) | 12.88 | 96/- | 14/07/2023 | 96.00 | 84.32 [-1.12] | 209.69 [0.62] | 136.67 [8.06] |
| 2 | Holmarc Opto-Mechatronics Limited (NSE EMERGE) | 11.40 | 40/- | 25/09/2023 | 65.25 | 181.63 [-2.00] | 166.38 [8.51] | 125.38 [12.31] |
| 3 | Presstonic Engineering Limited (NSE EMERGE) | 23.31 | 72/- | 18/12/2023 | 140.00 | 146.11 [2.87] | 69.51 [2.82] | 59.44 [9.56] |
| 4 | HRH Next Services Limited (NSE EMERGE) | 9.57 | 36/- | 03/01/2024 | 41.00 | 18.47 [0.84] | -15.83 [4.39] | -11.11 [11.59] |
| 5 | Mayank Cattle Food Limited (BSE SME) | 19.44 | 108/- | 05/02/2024 | 116.00 | 4.68 [2.71] | 22.22 [2.99] | 83.15 [12.90] |
| 6 | Sylvan Plyboard (India) Limited (NSE EMERGE) | 28.05 | 55/- | 01/07/2024 | 66.00 | 107.09 [2.96] | 70.09 [8.44] | 52.73 [-1.36] |
| 7 | Solve Plastic Products Limited (NSE EMERGE) | 11.85 | 91/- | 21/08/2024 | 102.00 | -32.20 [2.61] | -47.86 [-5.31] | N. A. |
| 8 | Travels & Rentals Limited (BSE SME) | 12.24 | 41/- | 05/09/2024 | 55.00 | 281.00 [-0.62] | 160.25 [-1.65] | N. A. |
| 9 | Dhanlaxmi Crop Science Limited (NSE EMERGE) | 23.80 | 55/- | 16/12/2024 | 104.50 | 17.00 [-6.05] | N. A. | N. A. |
| 10 | Indobell Insulations Limited (BSE SME) | 10.14 | 46/- | 13/01/2025 | 87.40 | N. A. | N. A. | N. A. |

Status as on 23-01-2025

1. in case where the security is not being traded on 30th, 90th and 180th day, the previous working day has been considered.
2. in case where 30th, 90th and 180th day is holiday, the previous working day has been considered for benchmark and security purpose.
3. the benchmark index is SENSEX where the securities have been listed in BSE SME/Startups and Nifty where securities have been listed in NSE Emerge.
4. N.A. – Period not completed

Summary statement of Disclosure:

| Financial Year | Total no. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPOs trading at discount – 30 th calendar day from listing day | | | Nos. of IPOs trading at premium – 30 th calendar day from listing day | | | Nos. of IPOs trading at discount -180 th calendar day from listing day | | | Nos. of IPOs trading at premium – 180 th calendar day from listing day | | |
|----------------|-------------------|-------------------------------|---|----------------|---------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2021-22 | 7 | 73.34 | N. A. | 1 | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 |
| 2022-23 | 12 | 117.85 | N. A. | 3 | 3 | 4 | N. A. | 2 | 2 | 2 | 2 | 4 | N. A. | 2 |
| 2023-24 | 5 | 76.59 | N. A. | N. A. | N. A. | 3 | N. A. | 2 | N. A. | N. A. | 1 | 4 | N. A. | N. A. |
| 2024-25 | 5 | 86.09 | N. A. | 1 | N. A. | 2 | N. A. | 1 | N. A. | N. A. | N. A. | 1 | N. A. | N. A. |

Status as on 23-01-2025

The Lead Manager associated with the Offer have handled **29 SME public issues and Nil Main Board public issue** during the current financial year and three financial years preceding the current Financial Year, out of which 7 SME public issues closed below the issue price on the listing date.

| Type | FY 2024-25* | FY 2023-24 | FY 2022-23 | FY 2021-22 | Total |
|---|-------------|------------|------------|------------|-----------|
| SME IPO | 5 | 5 | 12 | 7 | 29 |
| Main Board IPO | - | - | - | - | - |
| Total | 5 | 5 | 12 | 7 | 29 |
| Issue closed Below Issue Price on Listing Day | - | - | 5 | 2 | 7 |
| Issue closed above Issue Price on Listing Day | 5 | 5 | 7 | 5 | 22 |

* Status as on 23-01-2025

TRACK RECORD OF PAST ISSUES HANDLED BY FINSHORE MANAGEMENT SERVICES LIMITED

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.finshoregroup.com.

SECTION XI: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this draft prospectus, the prospectus, the abridged draft prospectus, Application Form, CAN, the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that in terms of regulation 256 of the SEBI (ICDR), 2018 read with SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e., just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on September 27, 2024 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Annual General Meeting held on September 30, 2024.

RANKING OF EQUITY SHARES

The Equity Shares being Issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to Section titled, ***“Description of Equity Shares and Terms of the Articles of Association”***, beginning on page 277 of this draft prospectus.

OFFER FOR SALE

In the case of offer for sale, the dividend for the entire year shall be payable to the transferees and the company has to disclose the name of the entity bearing the cost of making offer for sale along with reasons. However, the present issue does not include offer for sale and hence the said disclosure is not applicable to us.

MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act, 2013, as may be applicable, the Articles of Association of our Company, the provisions of the SEBI Listing Regulations and any other rules, regulations or guidelines as may be issued by the Government of India in connection there to and as per the recommendation by our Board of Directors and approved by our 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, please refer to Sections titled, ***“Dividend Policy”*** and ***“Description of Equity Shares and Terms of the Articles of Association”***, beginning on page 177 and 277 respectively, of this draft prospectus.

FACE VALUE AND ISSUE PRICE

The face value of the share of our company is ₹10/- per equity share and the issue price is ₹72/- per equity share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the Section titled, ***“Basis for Issue Price”*** beginning on page 79 of this draft prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations as amended time to time. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association of our Company, the equity shareholders shall have the following rights:

- Right to receive dividend, 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;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable law, including any RBI Rules and Regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the previous Companies Act, 1956 and Companies Act, 2013, as may be applicable, terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For further details on the main provision of our Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, etc., please refer to Section titled, "*Description of Equity Shares and Terms of the Articles of Association*", beginning on page 277 of this draft prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issuer:

1. Tripartite agreement dated August 19, 2024 between our Company, NSDL and the Registrar to the Issue.
2. Tripartite agreement dated August 08, 2024 between our Company, CDSL and the Registrar to the Issue

The trading of the Equity Shares will happen in the minimum contract size of 1,600 Equity Shares and the same may be modified by the SME Platform of BSE 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 1,600 Equity Shares subject to a minimum allotment of 1,600 Equity Shares to the successful Applicants in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

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.

MINIMUM NUMBER OF ALLOTTEES

In accordance with the Regulation 268 of SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 2 working days of closure of issue.

JOINT HOLDERS

Where two (2) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of this section shall upon the production of such evidence as may be required by the Board, elect either:

To register himself or herself as the holder of the Equity Shares; or to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

PERIOD OF SUBSCRIPTION LIST OF PUBLIC ISSUE

| | |
|-----------------|-----|
| ISSUE OPENS ON | [●] |
| ISSUE CLOSES ON | [●] |

- *In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the issue shall be open after at least three working days from the date of filing the prospectus with the Registrar of Companies.*
- *In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, Except as otherwise provided in these regulations, the public issue shall be kept open for at least three working days and not more than ten working days.*
- *In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, In case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the red herring prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1) is not applicable to our company as this is fixed price issue.*
- *In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar unforeseen circumstances, our company may, for reasons to be recorded in writing, extend the issue period disclosed in the draft prospectus, for a minimum period of one working day, subject to the provisions of sub-regulation 266(1) of SEBI (ICDR) Regulation, 2018.*

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 SME Platform of BSE 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 draft 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 Application Forms prior to the 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 BSE SME 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.

MINIMUM SUBSCRIPTION

In accordance with Regulation 260(1) of SEBI (ICDR) Regulations, this Issue is 100% underwritten, so this issue is not restricted to any minimum subscription level.

As per section 39 of the new Companies Act, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of thirty (30) days from the date of issue of draft prospectus, the application money has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue Document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond eight (8) days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

The 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.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of 1,600 equity shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Platform of BSE.

APPLICATION BY ELIGIBLE NRI'S, FPI'S/FII'S REGISTERED WITH SEBI, VCF'S REGISTERED WITH SEBI AND QFIS

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "*Capital Structure*" on page 59 of this Draft Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. Moreover, there is no material clause of Article of Association that has been left out from disclosure having bearing on the IPO. For details, please refer chapter titled "*Description of Equity Shares and terms of the articles of association*" on page 262 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this draft 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.

ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM

As per Section 29 of the Companies Act, 2013 and in accordance with SEBI (ICDR) Regulations, every company making public Issue shall issue securities only in dematerialized form only. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. Further, it has been decided by the SEBI that trading in securities of companies making an initial public Issue shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.

MIGRATION TO MAIN BOARD

Migration to Main Board

SEBI vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010, has stipulated the requirements for migration from SME platform to main board. BSE has reviewed its criteria for Migration of SME Companies to BSE Main Board dated November 24, 2023 vide notice no. 20231124-55 effective from January 01, 2024 as follows:

- **Paid up capital and market capitalization:** Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum Rs. 25 Crores. (Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)
- **Promoter holding:** Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
- **Financial Parameters:** The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediately preceding Financial Year of making the migration application to Exchange. The applicant

company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years. • Track record of the company in terms of listing/ regulatory actions, etc: The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.

- **Regulatory action:** No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. No Debarment of company, promoters/promoter group, subsidiary company by SEBI. No Disqualification/Debarment of directors of the company by any regulatory authority. The applicant company has not received any winding up petition admitted by a NCLT.
- **Public Shareholder:** The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
- **Other parameters like No. of shareholders, utilization of funds:** No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies. No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies. The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform. The applicant company has no pending investor complaints. Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.

Notes:

1. Net worth definition to be considered as per definition in SEBI ICDR.
2. Company is required to submit Information Memorandum to the Exchange as prescribed in SEBI (ICDR) Regulations.
3. The application submitted to the Exchange for listing and mere fulfilling the eligibility criteria does not amount to grant of approval for listing.
4. If the documents and clarification received from the applicant company are not to the satisfaction of BSE, BSE has the right to close the application at any point of time without giving any reason thereof. Thereafter, the company can make fresh application as per the extant norms.
5. The Exchange may reject application at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Guidelines / Regulations issued by statutory authorities or for any reason in the interest of Investors and market integrity. The Exchange may also reject the application if the company is found not fulfilling internal BSE standards.
6. Companies that have approached for listing on any stock exchange and has been denied listing for any reason whatsoever or has chosen to withdraw its application from the Exchange, they may reapply for listing after a minimum period of 6 months (6 months after date of rejection/ withdrawal). If rejected for a second time, the company would not be eligible to apply again.
7. BSE decision w.r.t admission of securities for listing and trading is final.
8. BSE has the right to change / modify / delete any or all the above norms without giving any prior intimation to the company.
9. The companies are required to submit documents and comply with the extant norms.
10. The company shall use BSE's reference regarding listing only after the Exchange grants its in-principle listing approval to the company

MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein M/s. [●] is the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE SME for a minimum period of three (3) years from the date of listing on the SME Platform of BSE. 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”** beginning on page 50 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 through this issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in **Mumbai, Maharashtra**.



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(2) of Chapter IX of the SEBI (ICDR) Regulations 2018, whereby, an issuer whose post issue face value capital would be more than ten crore rupees, issue shares to the public and propose to list the same on the SME Platform of BSE. For further details regarding the salient features and terms of such this Issue, please refer to Sections titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on pages 247 and 256, respectively, of this draft prospectus.

The present Issue of **42,00,000** Equity Shares at an issue price of ₹72/- each aggregating to ₹ **3,024.00** Lakhs by our Company. The Issue and the Net Issue will constitute **27.35%** and **25.98%**, respectively of the post issue paid up equity share capital of the Issuer Company.

| Particulars of the Issue | Net Issue to Public* | Market Maker Reservation Portion |
|---|--|---|
| Number of Equity Shares | 39,88,800 Equity Shares | 2,11,200 Equity Shares |
| Percentage of Issue Size available for allocation | 94.97% of the Issue Size | 5.03% of the Issue Size |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of Equity Shares and further allotment in multiples of 1,600 Equity Shares each. For further details please refer to “ <i>Basis of Allotment</i> ” under Section titled “ <i>Issue Procedure</i> ” beginning on page 256 of this draft prospectus. | Firm Allotment |
| Mode of Application | Through ASBA Process or up to Rs. 5.00 lakhs through UPI for Individual Investors | Through ASBA Process Only |
| Mode of Allotment | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. |
| Minimum Application Size | For Other than Retail Individual Investors: 3,200 Equity Shares at Issue price of ₹72/- each so that the Application Value exceeds ₹2,00,000. For Retail Individuals: 1,600 Equity Shares at Issue price of ₹72/- each. | 2,11,200 Equity Shares @ ₹72/- each |
| Maximum Application Size | For Other than Retail Individual Investors: 14,35,39,200 Equity Shares at Issue price of ₹72/- each. (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.) For Retail Individuals Investors: 1,600 Equity Shares at Issue price of ₹72/- each. | 2,11,200 Equity Shares @ ₹72/- each |
| Trading Lot | 1,600 Equity Shares | 1,600 Equity Shares. However, the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Terms of Payment | 100% at the time of application | 100% at the time of application |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations. For further details please refer to section titled “*Issue Structure*” beginning on page 254 of this Draft Prospectus.

*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 SEBI (ICDR) 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 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 retail individual investor category is entitled to more than fifty per cent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage. For further information on the Allocation of Net Offer to Public, please refer to chapter titled “*The Issue*” on page no. 46 of this Draft Prospectus.

WITHDRAWAL OF THE ISSUE

Our 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, our Company wishes to withdraw the Issue after Issue Opening but before allotment, our Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two (2) widely circulated national newspapers (one each in English and Hindi) and one (1) in regional newspaper where the registered office of the Company is situated.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared, and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public Issuing of Equity Shares, our Company will file a fresh Issue document 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 approvals of the Stock Exchange with respect to the Equity Shares Issued through this draft prospectus, which our Company will apply for only after Allotment.

ISSUE PROGRAMME

| | |
|--|-----|
| Issue Opening Date | [•] |
| Issue Closing Date | [•] |
| Finalisation of Basis of Allotment with BSE SME | [•] |
| Initiation of Allotment / Refunds/ unblocking of ASBA Accounts | [•] |
| Credit of Equity Shares to demat accounts of the Allottees | [•] |
| Commencement of trading of the Equity Shares on BSE SME | [•] |

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the SME Platform of BSE are taken within 3 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME in accordance with the applicable laws.

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 Centres mentioned in the Application Form. On the Issue Closing Date when applications will be accepted only between 10:00 a.m. to 4:00 p.m. (Indian Standard Time).

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 Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Application Form. The General Information Document is available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Investors through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by Retail Individual Investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such 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**”). However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to **continue with the UPI Phase II till further notice**. Therefore, the final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), is prescribed by SEBI vide circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, (“UPI Streamlining Circular”) read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 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.

Further, SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has further reduced the time period for refund of applications money from four days to two days from issue closing date viz. initiation not later than 09.30 am on T+2 day (T is issue Closing Date) and completion before 2.00 pm on T+2 day for fund transfer and completion before 4.00pm on T+2 day for unblocking.

SEBI vide Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, which came into force for public issue opening on or after May 01, 2022 has decided that all Individual Investors applying in Public Issues where the application amount is upto Rs. 5 Lakhs shall use UPI.

Further, as per SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2022/75 dated May 30, 2022. All ASBA applications in Public Issues shall be processed only after the application money is blocked in the investor's bank accounts. The provisions of the circular shall be for all issues opening from September 01, 2022 onwards.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs.100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company and the LM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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. Further, our Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface (UPI)

SEBI has issued the various UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by Retail Individual Investors through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Investor had the option to submit the ASBA Form with any of the Designated Intermediary and use his/her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by Retail Individual Investors through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue is mandatorily being made under Phase III of the UPI Mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

Individual investors bidding under the Non-Institutional Portion bidding for more than ₹ 200,000 and up to ₹ 500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“UPI Streamlining Circular”), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the Lead Manager, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the Lead Manager will be required to compensate the concerned investor.

FIXED PRICE ISSUE PROCEDURE

The Issue is being made in compliance with the provisions of Chapter IX of the SEBI ICDR Regulations, and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance is being offered to Other Investors including QIBs and Non-Institutional Applicants. However, in case of under-subscription in either category, unsubscribed portion shall be allocated to investors in other category subject to valid Applications being received from them at the Issue Price.

Subject to the valid Applications being received at the Issue Price, allotment to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Individual Investors Category where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Individual Investors Category, 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.

The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Applicants only in dematerialised form. It is mandatory to furnish the details of Applicant’s depository account along with Application Form. The Application Forms which do not have the details of the Applicants’ depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants’ PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form.

APPLICATION FORM

Copies of Application Forms and Abridged Prospectus will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, an electronic copy of the Application Forms and Abridged Prospectus will also be available for download on the website of the Company, Lead Manager and Stock Exchange, BSE (www.bseindia.com), at least one day prior to the Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. The Retail Individual Investors can additionally Bid through the UPI Mechanism.

All ASBA Bidders must provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of Retail Individual Investors), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Applications made by the Retail Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection. Retail Individual Investors bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, 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.

The prescribed colour of the Application Form for various categories applying in this issue is as follows:

| Category | Colour |
|--|--------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA)** | White* |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA)** | Blue* |

* Excluding electronic Application Form.

** Application forms will also be available on the website of the BSE (www.bseindia.com). Same Application Form applies to all ASBA Applicants/ Retail Individual Applicants applying through UPI mechanism, irrespective of whether they are submitted to the SCSBs, to the Registered Brokers, to Registrars to an Issue and Share Transfer Agents, Depository Participants or to the Syndicate (in Specified Cities).

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than Retail Individual Investors using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For Retail Individual Investors using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to Retail Individual Investors, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate Retail Individual Investors (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the LM for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

WHO CAN APPLY?

Each Applicant 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 Application Form and GID for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- i. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- ii. Applications belonging to an account for the benefit of a minor (under guardianship);
- iii. 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". Application by HUFs will be considered at par with Applications from individuals;
- iv. Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- v. QIBs;
- vi. NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- vii. Qualified Foreign Investors subject to applicable law;
- viii. Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- ix. Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under the irrespective constitutions to hold and invest in equity shares;
- x. Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- xi. Insurance companies registered with IRDAI;
- xii. Mutual Funds registered with SEBI;
- xiii. FPIs other than Category III Foreign Portfolio Investor;
- xiv. Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Other Investors Category;
- xv. Scientific and/ or industrial research organizations authorised in India to invest in the Equity Shares; and
- xvi. Any other person eligible to Apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications should not to be made by:

- i. Minors (except through their Guardians)
- ii. Partnership firms
- iii. Foreign Nationals (except NRIs)
- iv. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 1933 (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to 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 only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The information below is given for the benefit of the applicants. Our Company, and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company, and the Lead Manager is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the draft prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for does not exceed the limits prescribed under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE:

1. For Retail Individual Applicants:

The Application must be for a minimum of 1,600 Equity Shares and in multiples of 1,600 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs 2,00,000. As the application price payable by the Retail Individual Applicants cannot exceed Rs. 2,00,000, **they can make Application only upto 1,600 Equity Shares.**

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs 2,00,000 and in multiples of 1,600 Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB 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 Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

3. Minimum Bid Lot: 1,600 Equity Shares

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

As per SEBI ICDR Regulation 268

- a) The issuer shall not make an allotment pursuant to a public issue if the number of allottees in an initial public offer is less than 50 (fifty).
- b) The issuer shall not make any allotment in excess of the specified securities offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the designated stock exchange.

Provided that in case of oversubscription, an allotment of not more than ten per cent. of the net offer to public may be made for the purpose of making allotment in minimum lots.

- c) The allotment of specified securities to applicants other than retail individual investors and anchor investors shall be on proportionate basis within the specified investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed in the offer document: Provided that the value of specified securities allotted to any person, except in case of employees, in pursuance of reservation made under clause (a) of sub-regulation (1) or clause (a) of sub-regulation (2) of regulation 254, shall not exceed two lakhs rupees.
- d) The Authorised employees of the Designated Stock Exchange, along with the Lead Manager and Registrar to the Issue, shall ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

Notes on Allotment Process

Receipt & Validation of Bid data:

- Bid data is downloaded from the stock exchange(s) via SFTP and same is validated with depositories to check for Invalid demat accounts, Invalid client status and PAN Mismatch records.
- Upon completion of the validation, the error records are marked with respective rejection criteria.

Collection of FCs and Schedule Data:

- RTA will follow up with all SCSBs and collect the Final certificate confirming the total amount blocked and no. of applications alongwith schedule data comprising of detailed application wise details with number of shares applied and amount blocked.
- Reconciliation of bid data vs Bank schedule data will be completed, upon which applications without funds blocked, will be removed from application master.

- Once reconciliation of Final certificate with applications/ bids are completed, the final valid data with funds blocked will be taken for allotment process
- Technical rejection process as per the terms of letter of offer will be carried out thereafter and total valid applications will be identified for preparation of basis of allotment

Basis of allotment

- Basis of allotment will be prepared category wise, i.e., Retail Individual investors who are applying with value less than Rs. 2 lakhs and High Net worth Individual Investor who are applying with value more than Rs.2 lakhs and Market Maker.
- The applications will be tagged as per above category and considered for basis of allotment in respective category.
- The allocable shares for each category will be as per the offer document, in the proportion of subscription amongst each category, with a minimum allotment of 50% of the net issue to Retail category.
- Within each basis of allotment, the number of applications are pooled based on lot category and proportionate eligibility of allotment of shares for each category calculated as per illustration of HNI basis as shown below:

HNI basis: (Example)

Lot size: 1000 shares

Allocable shares as per Prospectus: 75000

| No. of Shares applied for (Category wise) | Number of applications received | Total No. of Shares applied in each category | % to total | Proportionate shares available | Allocation per Applicant (Before rounding off) | Allocation per Applicant (After rounding off) | Ratio of allottees to applicants | No. of successful applicants (after rounding off) | Total No. of Shares allocated/ allotted | Surplus / Deficit [14]- [7] |
|---|---------------------------------|--|------------|--------------------------------|--|---|----------------------------------|---|---|-----------------------------|
| (1) | (2) | (3) = (1*2) | (4) | (5) = 75000 * (4)/100 | (6) = (5)/(2) | (7) | (8) | (9) | (10) = (9) * (7) | (11) |
| 1000 | 30 | 30000 | 26.09 | 19568 | 652.26 | 1000 | 2:3 | 20 | 20000 | -432 |
| 2000 | 20 | 40000 | 34.78 | 26085 | 1304.25 | 1000 | FIRM | 20 | 20000 | 85 |
| | | | | | | 1000 | 3:10 | | 6000 | |
| 3000 | 15 | 45000 | 39.13 | 29347 | 1956.46 | 1000 | FIRM | 15 | 15000 | 347 |
| | | | | | | 1000 | 14:15 | | 14000 | |
| | | 115000 | | 75000 | | | | | | 0 |

Allotment Procedure

1. In the event of over subscription in any of the IPO, the lottery system allotment is strictly random and there is absolutely no scope of discretion.
2. Registrar to share the valid data and the reverse application number data with the external auditor, company and the lead Manager, before incorporating drawl of lots/lucky numbers in the RTA database
3. Based on the oversubscription in the respective category (i.e., lot size's), the drawl of lots/lucky no(s) to be shared by the Designated Stock Exchange against each ratio.
4. The Registrar incorporates the drawl of lots/lucky numbers in the RTA Data base, as per the following order.
 - a. Prepare the Net Valid Data (excluding technical rejections, if any)
 - b. Generate each Category wise (lot size wise) Running Serial No. on the following Order
 - i. Share Category (i.e., lot size)
 - ii. Reverse the Application No. (example appl no 12345678 and reversed to 87654321)
 - iii. PAN
 - c. If ration is 2: 5, the 2 lucky numbers in the range will be shared by the designated stock exchange
 - d. The total no. of applications received in this category/lot size will be segregated into buckets of 5 each.
 - e. Every 3rd & 4th application in this bucket will get the allotment from every bucket, assuming that the lucky numbers given by the Designated Exchange are 3 & 4 for this category.
 - f. The process needs to be repeated for all the categories wherever oversubscription, the allotment needs to be done on lottery basis/drawl of lots.
5. The registrar needs to tally the allocation for each category wise with the Basis of Allotment approved by designated stock exchange.
6. The Registrar shares the allotment register with the company's appointed auditor to check the drawl of lots/lucky numbers assigned to correct investors and confirm.

Allotment will be made in consultation with the Designated Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as mentioned above

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:

- As per Regulation 253(2) of the SEBI (ICDR) Regulations 2018, as the Retail Individual Investor category is entitled to minimum fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
- Remaining to Individual applicants other than retail individual investors and other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- The unsubscribed portion in either of the categories specified in (i) or (ii) above may be available for allocation to the applicants in the other category, if so required.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the designated stock exchange.

PARTICIPATION BY ASSOCIATES /AFFILIATES OF LM AND THE SYNDICATE MEMBERS

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

APPLICATION BY MUTUAL FUNDS

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company’s paid-up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

APPLICATIONS BY ELIGIBLE NRI’S

Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Applying on a repatriation basis could make payments through the ASBA process only by blocking the funds for the amount payable on application in their NRE Account or FCNR Accounts, maintained with banks authorised by the RBI to deal in foreign exchange.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by blocking the relevant funds in their NRE or FCNR account, as the case may be. Payment for Application by non-resident Applicants applying on a repatriation basis will not be accepted out of NRO accounts for the full Application amount, at the time of submission of the Application Form.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in colour). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for Non-Residents (blue in colour).

APPLICATIONS BY HUF

Application by Hindu Undivided Families or HUFs should be 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". Application by HUFs will be considered at par with Applications by individuals.

APPLICATIONS BY FPI'S

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. In case of Applications made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Application form, failing which our Company reserves the right to reject the Application without assigning any reasons thereof.

APPLICATIONS BY BANKING COMPANIES

In case of Applications made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserves the right to reject any Application by a banking company without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The

bank is required to submit a timebound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

APPLICATIONS BY SCSB'S

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS, ALTERNATIVE INVESTMENT FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The SEBI VCF Regulations and the SEBI FVCI Regulations, as amended, inter alia prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Applicants including Eligible NRIs, 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 / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I or II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI. However, such equity shares shall be locked in for a period of at least one year from the date of purchase by the VCF, category I or II AIF or FVCI, as the case may.

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 this, our 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, 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, 2016 (the "IRDAI Investment Regulations") are broadly set forth below:

- a) Equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

- b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) The industry sector in which the investee company 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 points (i), (ii) and (iii) above, as the case may be.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000.00 million or more but less than ₹2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

APPLICATIONS BY PROVIDENT FUNDS/ PENSION FUNDS

In case of Applications made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, 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.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Mutual Funds, Eligible FPIs, insurance companies Systemically Important Non-Banking Financial Companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor.

APPLICATIONS BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES

In case of Application by Systemically Important Non-Banking Financial Companies, certified copy of a) the certificate of registration issued by RBI, b) certified copy of its latest audited financial statement on a standalone basis and a net worth certificate from its statutory auditor and c) such other approval as may be required by Systemically Important Non-Banking Financial Companies are required to be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any such Application without assigning any reasons therefor. Systemically Important Non-Banking Financial Companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

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 Applicants are advised to ensure that any single Application from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this draft prospectus.

ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

METHOD AND PROCESS OF APPLICATIONS

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public 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 Controlling Branch of 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 Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

TERMS OF PAYMENT

The entire Issue price of ₹72/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

PAYMENT MECHANISM

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non-Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to, (i) the applications accepted by them, (ii) the applications uploaded by them (iii) the applications accepted but not uploaded by them or (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) The applications accepted by any Designated Intermediaries (ii) The applications uploaded by any Designated Intermediaries or (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

| Sl. No. | Details* |
|---------|-------------------|
| 1 | Symbol |
| 2 | Intermediary Code |
| 3 | Location Code |
| 4 | Application No. |
| 5 | Category |
| 6 | PAN |
| 7 | DP ID |
| 8 | Client ID |
| 9 | Quantity |
| 10 | Amount |

*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
 - Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);

- DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
 9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
 10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
 11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
 12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
 13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
 14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
 15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

ALLOCATION OF EQUITY SHARES

- 1) The Issue is being made through the Fixed Price Process wherein **2,11,200** Equity Shares shall be reserved for Market Maker and **39,88,800** Equity shares (Net Issue) will be allocated on a proportionate basis to Retail Individual Applicants, and Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non-Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage and retail individual investors can withdraw or revise their bids till issue closure date.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the prospectus with the RoC, publish a pre- Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation where the registered office of the Company is situated.

ISSUANCE OF ALLOTMENT ADVICE (CAN)

- 1) Upon approval of the basis of allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

DESIGNATED DATES

| | |
|--|-----|
| Issue Opening Date | [●] |
| Issue Closing Date | [●] |
| Finalisation of Basis of Allotment with BSE SME | [●] |
| Initiation of Allotment / Refunds/ unblocking of ASBA Accounts | [●] |
| Credit of Equity Shares to demat accounts of the Allottees | [●] |
| Commencement of trading of the Equity Shares on BSE SME | [●] |

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the SME Platform of BSE are taken within 3 working days of the issue closing date, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of the BSE SME in accordance with the applicable laws

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals. All applicants (other than Anchor Investors) should submit their Bids through the ASBA process only;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the PAN, DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to not release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Applications are submitted at the Collection centres only on forms bearing the stamp of the Syndicate or Registered Broker or RTAs or DPs or SCSB (except in case of electronic forms). Ensure that your Application is submitted either to a member of the Syndicate (in the Specified Locations), a Designated Branch of the SCSB where the Applicant has a bank account or a UPI ID linked Bank Account, or to a Registered Broker at the Broker Centres or to RTAs or DPs at collection centres and not to our Company.
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account or UPI ID, as applicable) in the Application Form if you are not a Retail Individual Investor bidding using the UPI Mechanism in the Application Form and if you are a Retail Individual Investor using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Application Form.

- Submit revised Applications to the same member of the Syndicate, SCSB or Non-Syndicate Registered Broker, or RTAs or DPs as applicable, through whom the original Application was placed and obtain a revised TRS;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the draft prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only except as mentioned in *SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021*;
- 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 for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 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 Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than one application from one bank account.
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;

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. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., www.nseindia.com.

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the 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.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

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 Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
- Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
- If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM 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.

OTHER INSTRUCTIONS FOR THE APPLICANTS

Joint Applications

In the case of Joint Applications, the Applications 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 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.

Multiple Applications

An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

IMPERSONATION:

Attention of the application is specifically drawn to the provisions of the sub-section (1) of Section 38 of the companies Act, 2013 which is reproduced below:

“Any person who

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.
- d) The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount.”

INVESTOR GRIEVANCE

In case of any pre-Issue or post-Issue related problems regarding demat credit/refund orders/unblocking etc., the investors can contact the Compliance Officer of our Company.

NOMINATION FACILITY TO APPLICANT

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

GROUND FOR TECHNICAL REJECTIONS

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a Limited Liability Partnership can apply in its own name.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications made using a third-party bank account or using third party UPI ID linked bank account;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1,600;
- Category not ticked;
- Multiple Applications as defined in this draft prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and draft prospectus as per the instructions in this draft prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;

- Application 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;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals. Application or revision thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- 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, other Retail Individual Applicants, not submitted through ASBA process and Applications by Retail Individual Applicants not submitted through ASBA process or the UPI process;
- Failure of Retail Individual Applicants to validate the request of blocking of Application amount sent by the Sponsor Bank;
- 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;
- Details of ASBA Account not provided in the Application form;
- In case of Retail Individual Applicants applying through the UPI mechanism, details of UPI ID, not provided in the Application form; etc.

For details of instruction in relation to the Application Form, Applicants may refer to the relevant section of GID and UPI Circular.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

NAMES OF ENTITIES RESPONSIBLE FOR FINALIZING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the LM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 3 (three) Working Days of the Issue Closing Date. The Registrar to the Issue may dispatch the Allotment Advice within 3 (three) Working Days of the Issue Closing Date.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) The issue is 100% underwritten. Our company has entered into an Underwriting Agreement dated [●] with Lead Manager. For Further information, please refer section **“General Information”** beginning from page no 50 of this draft prospectus.
- b) A copy of prospectus will be filled with the RoC in terms of Section 26 & 32 of Companies Act, 2013.

UNDERTAKINGS BY OUR COMPANY

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us 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 3 (three) Working days of Issue Closing Date.
- 3) That the 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 the issuer.
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) That the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for

public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations.

- 6) That no further issue of securities shall be made till the securities offered through the draft prospectus are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 19.
- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- 8) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.
- 4) The utilisation of monies received under the Promoters' contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- 5) The details of all unutilised monies out of the funds received under the Promoters' contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated August 19, 2024 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated August 08, 2024 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. "INE10ZP01013"

RESTRICTIONS OF FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

RBI has also issued Master Direction- Foreign Investment in India dated January 4, 2018. In terms of the Master Direction, an Indian company may issue fresh shares to persons resident outside India (who are 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 Directions.

The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

**(THE COMPANIES ACT, 2013)
COMPANY LIMITED BY SHARES**

ARTICLES OF ASSOCIATION

OF

SATOL CHEMICALS LIMITED *

**Changed from "SATOL CHEMICALS PRIVATE LIMITED" to "SATOL CHEMICALS LIMITED" by passing a Special Resolution by the Shareholders of the Company in the Extra-ordinary General Meeting held on Saturday, 6th day of April, 2024*

1. The regulations contained in Table 'F' of the First Schedule of the Companies Act, 2013 so far as they are applicable to Public Company limited by shares, shall apply to this Company save in so far as they are expressly or impliedly excluded by the following Articles.

Interpretation

2. In the interpretation of these Articles, unless repugnant to the subject or context:-

- a) "The company" or "this company" means **SATOL CHEMICALS LIMITED**
- b) "The Act" means the Companies Act 2013, or any statutory modification or re- enactment thereof for the time being in force.
- c) "Auditor" means and includes those persons appointed as such for the time being by the Company.
- d) "Board Meeting" means meeting of the Directors duly and constituted or as the case may be, the Directors assembled at a Board.
- e) "Capital" means the share capital for the time being raised or authorized to be raised, for the Company.
- f) "Debenture" includes the Debenture stock.
- g) "Directors" mean the Directors for the time being of the Company of as the case may be the Directors assembled at as Board.
- h) "Dividend" includes bonus.
- i) Gender

Word importing the masculine gender also includes the feminine gender.

- j) In Writing or Written

"In Writing" or "Written" includes printing, lithography and other modes of representing or reproducing words in a visible form.

- k) Member

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscriber to the Memorandum of the Company.

- l) Meeting or Annual General Meeting

“Annual General Meeting” means a General Meeting of the members duly called and constituted and any adjourned holding thereof in accordance of section 96 of the Act.

m) Meeting or Extraordinary general meeting

“Extraordinary General Meeting” means Extraordinary General meeting of the Members duly called and constituted and any adjourned holding thereof.

n) Month

“Month” means a calendar month

o) Office

“Office” means the registered office for the time being of the Company.

p) Paid up

“Paid up” includes credited as paid up.

q) *Persons*

“Persons” includes corporation and firms as well as individuals.

r) *Register of members*

“Register of member” means the Register of members to be kept pursuant to the Act.

s) *The Registrar*

“The Registrar” means the Registrar of the Companies (as defined under Section 2(75) of the Act of the state in which the office of the Company is for the time being situated.

t) *Officer*

“Officer” includes any director, manager or secretary, or any person in accordance with whose direction or instruction the board of Director or any or more of the directors is accustomed to act

u) *Seal*

“Seal” means the Common Seal for the time being of the Company.

v) *Share*

“Share” means share in the share capital of a company and includes stock except where a distinction between stock and share is expressed or implied.

w) *Special Resolution*

“Special Resolution” shall have the meaning assigned thereto by section 114 of Companies Act, 2013.

x) *Year and Financial Year.*

“Year” means the calendar year and “financial year” shall have the meaning assigned thereto by section 2(41) of the Act.

Public Company

3. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

Share capital and variation of rights

4. (i) The Authorized Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.
- (ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.
5. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided :—
- (a) One certificate for all his shares without payment of any charges; or
- (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The company may issue new share certificates pursuant to consolidation or sub division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
7. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
8. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of

the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
11. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

12. (i) The Company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- (iii) The fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to monies called or payable at a fixed time in respect of such shares.

13. 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.
14. (i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
 - (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
 15. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
 - (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

16. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholders in a general meeting of the company.

17. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

20. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not confer a right to dividend or to participate in profits.

Transfer of shares

22. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

23. 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.

24. The Board may decline to recognize any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

25. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

26. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

Transmission of Shares

27. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

28. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

29. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

30. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of Shares

31. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
32. 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.
33. 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.
34. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
35. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
36. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
(iii) The transferee shall thereupon be registered as the holder of the share; and
(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
37. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of Capital

38. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Share Capital shall be as per the clause V (a) of Memorandum of Association of the company.
39. Subject to the provisions of section 61, the company may, by ordinary resolution,—
 - (a) increase its authorized share capital by such amount as it thinks expedient.

- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

40. Where shares are converted into stock,—

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

41. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

42. (i) The company in general meeting may, upon the recommendation of the Board resolve—

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, Securities Premium Accounts or otherwise available for distribution; and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

- A. paying up any amounts for the time being unpaid on any shares held by such members respectively;
- B. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- C. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- E. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

43. (i) whenever such a resolution as aforesaid shall have been passed, the Board shall—

- a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- b) Generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

- a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Dematerialisation of Securities

44. (i) For the purpose of this Article:-

"Beneficial Owner": Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.

"Depositories Act": Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository": Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

"Member": Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

"Security": Security shall mean such security as may be specified by SEBI.

(ii) "Dematerialisation of Securities": Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

(iii) "Option to hold securities in physical form or with depository": Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

(iv) "Beneficial Owner may opt out of a Depository": Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

(v) "Securities in Depositories to be in fungible form": All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) "Rights of depository and beneficial owners": A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

(vii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be

entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

- (viii) "Transfer of securities":** Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- (ix) "Register and Index of beneficial owners":** The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.
- (x) "Other matters":** Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.
- (xi)** Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

Nomination

45. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 109A and Section 109B of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of the Act.

Buy-Back of Shares

46. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General Meetings

47. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
48. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at General Meetings

49. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
50. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
51. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

52. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of Meeting

53. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting Rights

54. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

55. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

56. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

57. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

58. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

59. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

60. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

61. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

62. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

63. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

64. The minimum number of Directors shall be 3 and maximum number of directors shall be 15.
The First Directors of the Company are:

I. Mr. BHAVESH T. PRASANA
II. Mrs. MAYURI B. PRASANA

65. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

66. The Board may pay all expenses incurred in getting up and registering the company.
67. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
68. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
69. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
70. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

71. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

- (iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- (iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
72. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
73. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
74. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
75. (i) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
76. A committee may elect a Chairperson of its meetings.
77. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
78. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
79. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
80. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

81. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
82. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Managing Director

83. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration,

duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.

84. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

The Seal

85. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

86. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

87. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

88. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

89. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

90. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

91. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent

92. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
93. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
94. No dividend shall bear interest against the company.
95. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

Accounts

96. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding Up

97. 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.
98. 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.
99. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

100. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

SECTION XII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the draft prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the prospectus delivered to the RoC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at 102, 1st Floor, Shreemad Gokul Apartments, CHS Ltd Near MCF Club, Off S V Road, Borivali (West), Mumbai- 400092, Maharashtra, India between 10.00 a.m. to 5.00 p.m. (IST) on all working days and will also be available at the website of our company <https://www.satol.net> from the date of the draft prospectus until issue closing date.

A. MATERIAL CONTRACTS TO THE ISSUE

1. Issue Agreement dated January 13, 2025 entered into among our Company and the Lead Manager.
2. Agreement dated November 04, 2024 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated August 19, 2024 entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated August 08, 2024 entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement [●] among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated [●] between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated [●] between our Company and the Lead Manager.

B. MATERIAL DOCUMENTS

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporations of our Company dated October 23, 2020 and July 01, 2024 issued by Registrar of Companies, Mumbai.
3. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated September 27, 2024 and September 30, 2024 respectively, authorizing the Issue and other related matters.
4. Copies of Audited Financial Statements of our Company for the six months ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
5. Peer Review Auditors Report dated January 13, 2025 on Restated Financial Statements of our Company for the six months ended September 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.
6. Copy of Statement of tax benefits dated January 13, 2025, from the Statutory Auditor included in this draft prospectus.
7. Consents of Promoters, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Legal Advisor to the Issue, Banker to the Issue & Sponsor Bank, Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the draft prospectus to act in their respective capacities.
8. Certificate on KPI's issued by the Statutory Auditor M/s. Vijay Darji & Associates, Chartered Accountants, vide their certificate dated January 13, 2025.

9. In-principle listing approval dated [●] from BSE Limited for listing the Equity Shares on the SME Platform of BSE.
10. Due Diligence certificate dated [●] submitted to SEBI after filing the prospectus with RoC.

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 reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Bhavesh Thakarshibhai Parsana

Managing Director

DIN: 08515430

Date: January 24, 2025

Place: Mumbai, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Mayuri Bhavesh Parsana

Executive Director

DIN: 01302733

Date: January 24, 2025

Place: Mumbai, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Dnyanesh Vishnu Darshane

Non-Executive Director

DIN: 08515431

Date: January 24, 2025

Place: Mumbai, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Ravikumar Shiriram Malkhede

Non-Executive Director

DIN: 08447589

Date: January 24, 2025

Place: Mumbai, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Darshil Hemendrakumar Shah

Independent Director

DIN: 09013533

Date: January 24, 2025

Place: Mumbai, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Shivani Kapoor
Independent Director
DIN: 08447589

Date: January 24, 2025

Place: Mumbai, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

Shilpa Kamlakar Tondwalkar
Chief Financial Officer

Date: January 24, 2025

Place: Mumbai, Maharashtra

DECLARATION

I certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this draft prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this draft prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:

Sd/-

Nitin Vinayak Kore
Company Secretary & Compliance Officer

Date: January 24, 2025

Place: Mumbai, Maharashtra